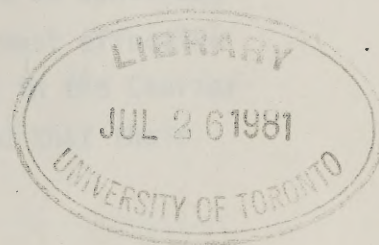


MEETING OF THE CONTINUING COMMITTEE
OF MINISTERS ON THE CONSTITUTION

THE CHARTER OF RIGHTS

Quebec's Position



Montreal, Quebec

July 8-11, 1980

Toronto, Ontario

July 15-19, 1980

CHARTER OF RIGHTS

Quebec's firm and resolute commitment to the protection of citizens' basic and individual rights is a course that was undertaken several years ago. Clearly, the protection of Quebec citizens provided by the Quebec Charter of Rights and Freedoms, in conjunction with the federal Bill of Rights, is unrivalled in scope by that of few--if any--other provinces.

Quebeckers unanimously support the fundamental freedoms (such as freedom of religion, of thought, of speech, and of the press) and the basic principles of democracy (such as universal suffrage, elections every four or five years, and annual sittings of Parliament). These rights exist and are respected in Quebec.

Thus the question raised by the federal proposal for a constitutional Charter of Rights is not "Does Quebec intend to protect the rights of its citizens?" but rather "What is the best way to protect the rights of the citizens of Quebec?"

The proposal to entrench a broad range of individual rights in the constitution provokes a number of concerns. Before supporting such a Charter, Quebec must be convinced that constitutional entrenchment offers the most effective means of protection, that the rights covered in the Charter represent values common to all Canadians, and that their meaning and scope are well defined.

i) Advantages of entrenchment

- a. The protection of individuals would, in principle, be enhanced by entrenchment of a Charter of Rights in

the constitution. Entrenchment would prohibit any body, even a legislature, from violating the principles contained in the Charter.

- b. It might also be maintained that the courts would accord greater value to an entrenched charter than to a merely legislative one, which, as the expression of the will of a particular legislature, can easily be amended by a conflicting expression of will from the same body. In any case, the courts have so far refused to grant to the present federal Bill of Rights any status clearly above that of other laws.
- c. The ceremony of entrenchment would confer on the Charter of Rights a symbolic and inspirational value.
- d. Lastly, entrenchment would ensure uniformity of basic and individual rights across Canada.

ii) Disadvantages of entrenchment

- a. Entrenchment would limit the legislative jurisdiction of the provinces to an extent determined by the number and variety of rights contained in an entrenched Charter. The results of reform in federal and provincial jurisdictions must be known before the concrete consequences of entrenchment of a Charter of Rights can be adequately assessed. Entrenchment could be disadvantageous if it occurs before agreement on the division of powers between federal and provincial governments.
- b. Entrenchment could lead to a "government of judges" and may not constitute the most democratic means of protection of rights.


The subject of rights and liberties is a vast field, still in a state of constant evolution. Constitutional entrenchment would inevitably complicate and hamper this evolution and would strip elected assemblies of the power to shape it in accordance with democratic principles. This responsibility would pass from the hands of elected representatives into the hands of appointed judges.

This was, in fact, the point made recently by one of the most eminent members of the Canadian judicial system, Mr Louis-Philippe Pigeon, former judge of the Supreme Court: "I wish to emphasize that, in considering the probable effect of an entrenched Charter of Rights, we must realize that entrenchment would entail handing over to the courts a significant portion of the power to legislate. In my opinion, it would be mistaken to view this as a function comparable to that of interpretation of a federal constitution."

The Canadian political system is founded on legislative representation and sovereignty. By the transference of legislatures' powers to the courts, citizens are deprived of their most effective instrument of influence over the evolution of their individual rights. Thus, the fundamental principles of democracy are at stake in the decision on whether or not a Charter of Rights should be entrenched, since we must decide whether it is citizens or judges who will determine the evolution of rights.

- c. The broader the range of rights to be entrenched in the Charter, the more serious this latter disadvantage becomes.

For example, the federal draft proposes to entrench the freedom of citizens to move about from one province to another. No one, and least of all Quebec, objects to this freedom as a general principle. But when one considers its meaning, implications, and consequences, a problem



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arises. This freedom might mean that Quebec could, for example, be prevented from controlling entry into the professions, as it does now, on the ground that Quebec regulations were more restrictive than those of other provinces and hence interfered with mobility.

Similarly, entrenching the freedom of movement could lead to the standardization of educational systems across Canada, because differences among systems could be interpreted as barriers to mobility.

If the courts did interpret this right in such ways, and Quebec subsequently wanted to propose, for example, to amend the Charter to restore a more normal situation, it would have to set in motion the process of amending the Constitution in which this right had been entrenched. And we know that constitutional change does not come easily in Canada.

Obviously these disadvantages, inflexibility and diminished legislative responsibility, would be much less serious if the Charter entrenched only the most fundamental rights and freedoms, whose meaning and implications are well-known and have been tested in the courts. These rights and freedoms represent values to which all Canadians subscribe, and hence pose fewer difficulties. This is the case for the freedoms mentioned earlier--freedom of religion, freedom of expression, freedom of thought, freedom of the press, and so on--the fundamental principles of democracy. Along with these freedoms come the basic rights in criminal proceedings--the presumption of innocence, the right to a fair trial, the right to counsel, and so forth. The question here, then, is which rights should be incorporated in any charter.

In short, Quebec wants the fundamental rights of citizens to receive the broadest and most effective protection possible, but it questions what the best means of providing such protection would be. Quebec therefore approaches the issue of the entrenchment of rights with a very open mind, even though it has serious doubts about this method and is weighing

its advantages and disadvantages. But Quebec will oppose the use of a Charter in a direct attempt to alter its social and cultural priorities, as might happen in the area of language rights.

The special case of language rights

Quebec firmly opposes the entrenchment in the Constitution of language rights whose effect would be to limit its freedom of action regarding so vital a matter as its collective future. Quebec cannot agree to exchange its autonomy in this area for limited powers subject to judicial interpretation.

The very act of entrenching language rights in the Constitution would freeze them for future generations. Should any change be necessitated by social developments that are as normal and healthy as they are unpredictable, a constitutional amendment would be required. For Quebec, this would mean not only that the language rights of Quebecers had been determined by all the provinces and the federal government to begin with, but also that any adjustments to meet changing needs would require the consent of these same parties. For all intents and purposes, once language rights in Quebec had been decided, they would be set in stone. The least one can say is that this is a rather inflexible arrangement for an area essential to the future of Quebecers, Anglophones as well as Francophones.

In short, language policy in Quebec society requires an attention and a flexibility that no constitutional entrenchment could provide.

With its proposed Charter and Statement of Principles, Ottawa is clearly trying to re-establish the difficult situation that used to prevail in the area of language policy in Quebec. According to these federal proposals, language rights would be incorporated into the Constitution and, so to speak, defined for all Quebecers forevermore. In light of all the discussions, proposals, debates, and demonstrations that were required, and all the false hopes that were raised, before the social and linguistic peace that now reigns was achieved, this stubborn determination to change the situation and provoke renewed debate is difficult to understand.

In fact, Quebec is inclined to believe that this debate might be only a pretext to modify Bill 101 so as to "rebilingualize" Quebec and re-establish the free choice of language of instruction provided under the ill-famed Bill 63.

With regard to the protection of minorities, Quebec believes that no constitution, however complete, can force people to change their attitudes, or governments to pursue policies that they do not really believe in. And that is what is really involved in the issue of protection of minorities. Mollifying general provisions for protecting the rights of minorities will not really change the fate of these minorities if the political will to do so is not there.

Only concrete measures adopted with respect to specific matters can really improve the status of minorities. In this connection, Quebec must say, without undue modesty, that it thinks its treatment of its Anglophone minority has been truly exemplary. The situation of English speakers in Quebec is incomparably better, in all respects, than that of French-speaking minorities elsewhere in Canada. No Charter, no general statement of intention, has been necessary.

For all these reasons, Quebec is of the opinion that with regard to language rights, it is wiser to follow this recommendation by the Pépin-Robarts Commission:

"In our opinion, the protection of linguistic rights at the provincial level can be treated, at this time, in either one of two ways: extending the constitutional guarantees of Section 133 to every or to some provinces, or removing these guarantees, inviting the provinces to legislate safeguards for their minorities, taking into account the diversity of local situations, with the hope that a consensus between the provinces might form on a common denominator which eventually could be included within the constitution of the country."

After due consideration, we now think that the second option would be wiser and more likely to be successful in the long run, involve less confrontation, and be more in agreement with the spirit of the federal system.

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FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Position Statements

British Columbia

Charlottetown
March 29-30, 1978

March 23, 1978

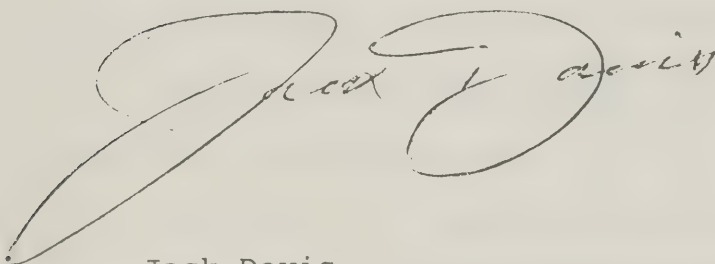
The Honourable J. Sauve,
The Honourable Dr. John H. Maloney,
Co-Chairmen,
Conference of Communications Ministers,
Charlottetown, P.E.I.

My dear Colleagues:

I regret being unable to attend this Conference of Communications Ministers. I have, however, reviewed the matters to be discussed and the attached documents indicate my position on each.

You have my best wishes for a harmonious and productive Conference.

Yours sincerely,

A large, stylized handwritten signature in dark ink, appearing to read "Jack Davis". The signature is fluid and cursive, with a large loop at the end.

Jack Davis,
Minister

LEGISLATION: THE TELECOMMUNICATIONS ACT

Following the introduction of Bill C-43, the provinces availed themselves of the opportunity to participate in discussions on the Bill, and proposed amendments in letters to the federal minister. Bill C-24 has alleviated some provincial concerns but has also introduced new legislation and thus, new concerns. I take some issue with federal statements that C-24 is "virtually identical" to C-43. I feel that this conference may not provide the best forum in which to discuss specific items and that another meeting of officials may be in order. While I recognize that officials at the preparatory meeting agreed that ministers may wish to raise specific points, and I would not want to impede such discussion, I will restrict my comments to two general areas of concern which I believe are also a concern to several other provinces.

The two concerns relate to intergovernmental relations and federal intrusions into areas which I see as provincial jurisdiction, notably closed-circuit services.

Regarding intergovernmental relations, amendments to three sections are necessary:

Section 3 There should be included in the policy section a statement recognizing provincial competence and declaring intergovernmental consultation as an objective.

Section 27(6) With regard to provincial participation on the CRTC, the provincial minister should be empowered to designate a person, and to initiate the procedure. Also it should be clarified that provincial participation is

possible in all matters before the Commission.

Section 34 Regarding responsibilities of part-time members, they should be empowered to vote on matters with which they have been involved through the hearing process.

Turning to sections dealing with closed-circuit services, the conflict arises when such services, considered to be within provincial jurisdiction, appear to be brought within federal purview by virtue of employing cable distribution systems as delivery mediums. Federal jurisdiction over broadcast receiving undertakings cannot be extended to include closed-circuit or non-broadcast services, and thus I see three sections of Bill C-24 to represent unacceptable federal intrusions.

Section 32(c) Empowering the CRTC to make regulations
 (vii) respecting the provision of any services by broadcast receiving undertakings.

Section 39(2) Prohibiting the carriage of any service without CRTC approval.

Section 56 Empowering the executive committee to prohibit the carriage of any service if the committee considers any resultant competition to be not in the public interest.

These sections must be deleted or amended so as to include only those facilities or services which are clearly within federal jurisdiction.

COMPETITION

In line with the guidelines prepared for us by the officials at the preparatory meeting, I do not propose to comment on specific issues which are before the regulatory agency or which have been ruled on by the federal cabinet. The following are broad generalizations recognizing that on specific issues and with regional priorities, these generalizations, could be modified somewhat.

1. In general, competition on other than natural monopoly services should be encouraged, and wherever opportunity for competition exists, it should be developed.
2. Regulation is only an alternative to competition, and should be employed to obtain the maximum efficiency possible, resulting in benefits to the subscriber through the service provided and the rates charged for that service.
3. Where any industry is regulated as a result of a natural monopoly existing for one class of service, the regulation should ensure that the monopoly portion is not used to create a barrier to entry by a competitor in a service offering which is not a natural monopoly.

Clarification of federal policy on this issue is essential to permit the federal commission to operate effectively, particularly in light of continued developments in computer and satellite communications.

It is evident from past discussions on this subject that positions tend to be based on vested interests and philosophical assumptions about economic development. This is understandable given the varied structure of the industry and the unequal distribution of government involvement. I feel therefore that any discussions on competition will be more fruitful if first an attempt is made to rationalize the roles of the elements within the industry, and I see this as a task which could be considered by a select committee or outside agency.

CABLE DELEGATION

For some years now British Columbia has held that the responsibility for cable distribution systems rests with the provinces. The Supreme Court decisions have moderated that position only to the extent that the distribution of broadcast signals is within federal jurisdiction.

Cable distribution systems have the potential for providing a broad spectrum of service beyond the carriage of broadcast television signals. Some of these services are closed circuit entertainment television, visual stock market reports, airlines schedules, shopping guides, local news service - verbal and visual, electronic newspaper, educational material, interactive communications for open meetings from the living room, and survey response testing.

These services may seem exotic today, although some are already available, but the significant point is that outside of broadcast television signals, they are all within the jurisdiction of the province. So long as the control over cable distribution systems is administered by the federal government, all decisions will be made on the basis of its effect on the broadcasting industry rather than services to the public.

I welcome the federal minister's remarks concerning delegation of cable jurisdiction and the opportunity afforded by the new Telecommunications Act.

British Columbia, in keeping with its earlier position, would be willing to consider accepting a delegation to exercise the powers, duties or functions of the federal government. It must be understood however that this approach refers only to matters clearly within the federal domain and in no way refutes British Columbia's jurisdiction over non-broadcast or closed circuit services. The Province would be extremely interested in the conditions which might be associated with that delegation. It would not be willing to accept a delegation which did not give the province scope to encompass provincial concerns and interest, but only transferred the work and cost to the provinces.

British Columbia is prepared to join other provinces in discussions on delegation. At this point, however, I feel it is essential that the federal minister clarify her position concerning parameters of powers open to delegation and conditions she would attach to delegated powers.

PAY-TV

At this time it appears as if cable distribution systems are the logical mediums for the distribution of pay-television services. It is obvious that such services have not developed because the CRTC has so far prohibited them. The issue at hand is not whether Pay-TV is a desirable or viable service, but whether the federal government has jurisdictional competence over closed-circuit services.

The recent Supreme Court decisions confirming federal jurisdiction over the broadcasting aspects of cable television do not include closed-circuit services and I reiterate earlier statements (see legislation) that such services fall within provincial jurisdiction.

I, therefore, oppose attempts on the part of the federal government to bring such services as Pay-TV within federal purview including encouraging the CRTC's practice of considering Pay-TV as part of the broadcasting system.

I have no objection to the concept of direct-pay television and if an application is made to offer the service to the general public in British Columbia, we are prepared to regulate the service according to the objectives and goals we have established (see attachment).

With regard to the public release of the officials' working paper, I suggest that it be withheld on the basis that it may be incorrectly construed as the position of the governments involved.

PAY-TELEVISION OBJECTIVES FOR BRITISH COLUMBIA

The following objectives have been developed from British Columbia's communications policy objectives and indicate provincial concerns for the development of Pay-TV in British Columbia.

It is an objective of the Province of British Columbia that:

1. Regulatory authority over Pay-TV resides as close as possible to the end user or consumer.
2. There be a degree of competition maintained in the provision of television services.
3. Goods and services offered to the consumer in the province be at fair and reasonable rates.
4. Benefits from the development of Pay-TV accrue to the British Columbia economy.
5. The people of British Columbia be assured of having access to information and entertainment that is closely related to their economic, political, social and cultural lifestyles.
6. Pay-TV realize its maximum potential in offering original, unique and varied programming.

In keeping with these objectives, goals for Pay-TV in British Columbia shall therefore be that:

- a) The province will exercise jurisdiction over the operation of Pay-TV within the province.
- b) The province will have an effective role in the regulation of a national agency if such an entity were to exist.
- c) There be a degree of competition in license applications, minimizing concentration of media ownership.

- d) Licenses will not be restricted to any one group or class, but will be open to cable operators, broadcasters, program producers, or any other private or public entity.
- e) License applicants will not be restricted to any particular means of distribution but will be free to select any means, including leased cable facilities or distribution via broadcast.
- f) Where services are provided under a monopoly, the provision of service will be subject to regulation in accordance with provincial standards.
- g) Physical plant utilizes B.C. industry.
- h) Programming utilizes B.C. program producers.
- i) Pay-TV operators be B.C. and preferably local entities.
- j) A major portion of Pay-TV content be of Canadian rather than foreign origin.
- k) Regional and local programming shall be available.
- l) While realizing that some duplication is inevitable, large portions of Pay-TV programming should not duplicate that presently offered by theaters and broadcasters, thereby restricting the potential of Pay-TV to simply that of an alternative delivery system.

MECHANISMS FOR CONSULTATION

My general position on this subject is a positive one. I feel that improved intergovernmental consultation is desirable and essential in light of the high level of interdependency in the industry, rapid technological innovation and the growing demand for more provincial participation. Consultative mechanisms can be particularly useful in avoiding and resolving federal-provincial conflict.

With regard to legislative commitment to consultation, I have stated that such a position should be included in the policy section of the new Telecommunications Act. I feel the amendment empowering the federal minister to consult with provincial governments (section 6(1)) is insufficient. As examples of more suitable mechanisms I can cite the National Transportation Act and the Canada Ports Act.

I see the role of ministers at such conferences as this one as one of discussion, and hopefully resolution of major policy issues. Clearly, only the ministers can engage in discussions at political and ministerial levels. On the other hand I see officials meetings as being oriented towards specific tasks or projects. This arrangement however, does leave a gap in that the ongoing review of the communications field, selection of issues, delegation of tasks and submission of issues to ministers is beyond the authority of officials and should not be the responsibility of ministers.

To resolve this I would support the suggestion in Newfoundland's paper that there be periodic meeting of deputy ministers. I would suggest that twice-yearly meetings of deputy ministers could provide the necessary review of ongoing matters and the interface between ministers and officials.

Speaking to the item of officials meetings, I suggest that these be considered on an "as needed" basis to deal with particular subjects. I also recognize the value of outside agencies as outlined in the discussion paper and would encourage their use for studies requiring greater depth than our officials could provide. Regarding funding for tasks delegated to officials committees or outside agencies, I submit that this might be the basis for study by our officials to suggest formulas for consideration by ministers.

Regionally based sub-committees I feel are a subject best left to the governments involved. I do not believe the conference as a whole can commit individual governments to such activities.

I am agreeable to the concept of a regulatory association and am prepared to support the telecommunications sub-committee of CAMPUT as the most logical entity at this time.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Opening Statement
by the Honourable Jeanne Sauv 

Federal

Charlottetown
March 29-30, 1978

March 28, 1978

Tab B

OPENING STATEMENT

MEETING OF MINISTERS OF COMMUNICATIONS

CHARLOTTETOWN, MARCH 29-30, 1978

I want to begin by thanking my co-chairman for so graciously welcoming us here and for hosting this meeting in the historical and attractive city of Charlottetown. I am sure that the time honoured environment of Maritime friendliness and hospitality will facilitate a favourable outcome to our talks. It was after all in this very city some 100 years ago that far-reaching decisions were taken setting the course of this country. They were arrived at in a spirit of co-operation, of give and take, motivated by a single goal -- that of moving away from the powers of an old colonization toward one of building a new country. Of course, our goals for this meeting are not quite on that scale of magnitude, but they are nonetheless important. And if we can keep the long-term interest of our constituents constantly in mind -- and they are surely the same for both levels of government -- I am sure that the cautious steps already taken together will lead us a little further toward our common goal of effective public service. Even the great results of that seminal meeting in this city more than a century ago took seemingly endless and bitter negotiation before they bore fruit several years later.

When we met one year ago today in Edmonton, it was after a hiatus of two years. Much had happened in the time that elapsed between the 1975 Conference of

Ministers and the 1977 Edmonton Meeting. The period was marked by change - changes in governments, changes in ministers, thus changes in how we approached provincial problems and changes in how both licencees and the public perceived the legislative environment. I think it is fair to say that the Edmonton meeting was characterized by good faith and optimism: good faith based on the assumption that as long as ministers met face-to-face for open exchanges of views, differences could be accommodated; optimism that progress was being made to ensure that the interests of both levels of government were being taken into account. Even more, what came out of Edmonton was a determination to cooperate and consult further.

I sometimes think we are in danger of concentrating too much on the specific issues that concern us and, in the process, losing sight of our broader and more long-term objectives. Important as the items on today's agenda are, there are much broader questions facing us, questions which we can only deal with together.

It is quite evident, for example, that we must, as a nation, face the threats and potential of advances in communications technology. The impact of the next generation of communications satellites, for example, is bound to influence the future development of cable television. Developments in computer/communications, switching techniques, and distribution hardware may bring the long-promised "Wired City" into existence sooner than had been anticipated.

In facing the challenge of change, it is essential that the Federal Government seek ways of ensuring that as much input to the development of national policies as possible comes from the regions. But the regions must also recognize that this is only possible if the provinces are willing to act in the national interest as jointly defined.

The point I want to make is that these issues concern not just the country as a whole, not just each of the provinces individually. They are of fundamental importance to Canada both as an entity and as a federation of provinces. We are all too well aware of the peculiar mix of jurisdictional and regulatory responsibility that exists in the field of telecommunications, and we are equally aware of the difficulties which existing arrangements have placed in the way of our solving some issues. In the end, it is the achievement of our objectives that counts. Who owns or regulates the various parts of the system is irrelevant to individual citizens, provided that the objectives are agreed on. In this respect, I believe that so-called "federal" objectives, such as a strong coast-to-coast broadcasting system, and access by all Canadians to reliable telecommunication services, cannot be divorced from either the particular or wider interests of the provinces. We are all elected by the same voters.

I think Bill C-24 is evidence of the Federal Government's willingness to examine new ways of approaching the regulation of telecommunications in Canada.

The legislation is based, as you know, on the need to adapt federal laws to changing conditions and needs. It will help us provide a central focal point for the development of national broadcasting and communications policy. And, it will allow for a greater sensitivity to regional and local concerns.

The legislation has emerged only after extensive consultation with provinces, the communications sector and the public. Since its introduction last spring, further modifications to it have been made, many in response to your suggestions. This process of refinement has been a positive result of federal-provincial consultation.

I know from my conversations with some of you last night that there is an earnest desire to build on what was achieved in Edmonton. It is natural that we would now want to take some major strides forward on the matters we will be discussing. It is also natural that we find real constraints on what actually can be achieved in a day-and-a-half meeting. In my view, our best hope for achieving something concrete here lies in a realistic attitude about the goals we set ourselves. We must recognize that we cannot leave here after a day or two of talks on complex questions with all matters solved. Ultimate disposition of much of the agenda will only result if this meeting is complemented by continuing discussions at bilateral and regional levels by officials and ourselves. I would suggest that what we can do and what we have an obligation to do is to set specific directions for ourselves and our officials to follow in the coming year until next we meet, assuming that we will want to continue this process.

I'd like to indicate more specifically what we in the federal government would like to see result from this meeting. My first objective is recognition that whatever we do here in Charlottetown has to respond to our basic concern for the integrity and viability of the Canadian broadcasting system. I am sure this will come as no surprise to you. A great deal of what I will have to contribute to our discussions of agenda items will be governed by this consideration. That, too, should come as no surprise to you.

Consider, for example, the issue of pay television. Pay TV is just one of many consumer services either possible now or looming on the technical horizon. I am looking forward to hearing your reactions to the recently-published CRTC report on pay television during our discussion on this agenda item. But one thing is certain. We cannot make decisions with respect to Pay TV -- or, for that matter, any new service -- without taking into account a whole range of ripple effects which its introduction would generate. Consider, for example, the immense potential of Pay TV to affect the future of Canada's cultural, artistic and production institutions; the Canadian broadcasting system; the communications industries; national as well as regional and local needs; and to affect our future ability to plan and introduce other new services.

Clearly, these factors are paramount in the development of policies for the introduction of any new communications consumer service.

Another of my objectives is to see our discussion on carrier competition lead to a general understanding of some basic policy principles. And, I would hope that we can arrive at an agreement on an approach to consultative mechanisms that could best respond to our specific needs. In particular, I am thinking about mechanisms that would foster cooperation and contact among regulators and among officials.

This might seem dull and discursive stuff -- housekeeping perhaps -- but there is an awful lot of housekeeping essential to providing a stable and secure home and a lot of talk to ensure decisions are democratically arrived at in a true federation.

I hope, Mr. Chairman, you will permit me to indulge in a brief analogy which illustrates my approach.

In the natural environment, the ecology can be defined as a system of different elements each working together in a delicate equilibrium. Change the environment, introduce new elements, and the equilibrium can become upset. Our communications system in Canada is in a similar state of equilibrium. Change any factor, be it the introduction of new technology or service, or the realignment of the regulatory framework, and the effects -- multiplied -- can be far-reaching.

My analogy is not intended to forestall change. On the contrary, it is intended to underline the importance of the decisions we take democratically with respect to communications so that there is effective change. Such decisions cannot be taken in either haste or without a full realization of their effects.

If we are able to achieve this measured view of goals for this meeting, we will have accomplished a great deal. And I have every reason to expect that our talks will be successful.

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FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

OPENING ADDRESS
BY
THE HONOURABLE LOUIS O'NEILL

Charlottetown
March 29-30, 1978



GOUVERNEMENT
DU QUÉBEC

MINISTÈRE DES
COMMUNICATIONS

OPENING ADDRESS

It is with great pleasure that I greet my colleagues who are in charge of the development of communications for their respective governments. I was anxious to take part in this official meeting of the Ministers of Communications, partly to become acquainted with you, since I have not had the pleasure of meeting many of you before, and partly to recall to mind a number of very important things, even if they have already been repeated many times, except at Edmonton...

The goals of the Québec government are well known. Apart from forming a good government, as we are so often reminded, our goal is to achieve political sovereignty together with association with our Canadian friends in areas of mutual benefit to us. One of these areas is sure to be communications for such aspects as the allocation of frequencies, the services available to our respective minority groups, the establishment of international tariffs for telecommunication services, and so on...

Our goals are clear, therefore, and in keeping with the assertive and maturing process of a community that can only lead to a political outcome.

Québec's goals are equally clear in the field of communications. Our government's claims, which have been stated so persistently - one might even say stubbornly - are noteworthy in that they are not at first connected with the pursuit of a new political status but rather with the requirements of the civilization, the historical necessities, and the geography, sociology and culture of a people. Indeed, what has been called the communications revolution, marked by the instantaneous and multiple conveying of messages, leaves the Québec society increasingly exposed to the culture surrounding it comprising two hundred million English-speaking persons. The often attractive and virtually exclusive proximity of American culture makes the close association between communication and culture even more apparent. We only need to observe the ease with which the products of American culture make their way across the border in pace with the development of communications technology. This geographical and cultural situation imposes political choices on

Québec proportionate to the changes brought about by modern communication methods, which, besides being broadcasting tools, actually shape culture. As such, communications is not a separate entity but an integral part of Québec's cultural and social fibre. Through the perspectives that it affords, it becomes a source of nourishment to the culture of Québec and its society. So Québec's control of its communications goes beyond the current political debate and will only become more urgent if Québec's political sovereignty is delayed.

Form a good government, we're asked, but you're got to have the means to do so. Obviously, I am referring to the recent decision of the Supreme Court granting the federal government jurisdiction over cable distribution. Québec has noted the decision but is aware of how the nine judges split their opinion on it and is determined to defend the merits of its claims and to pursue its goals. While the source of power remains in federal hands, the carrying out of responsibilities may be placed in the hands of the provincial governments. The hindrances caused by this decision to Quebecers, who are the ultimate concern of our government, make even

more pressing the need for a interim arrangement enabling not only Québec but also all the governments concerned to turn things to their account.

Still on the topic of good government, I wish to refer to the multilateral and bilateral discussions of past years, and also of quite recent weeks, which entrust us with responsibilities but leave us, rather like the ideal good government of the 19th century, without the power to carry out these responsibilities. Of course, this does not apply to the central government. Apart from leading to a sort of standardization which is far-removed from the Canadien reality, this centralist approach can only be a source of tension since it goes against the spirit of federalism. We believe that problems such as the accessibility of communication media to the people, the uneven distribution of communication services to local populations, network planning, people's participation in their community, to name only a few, are the business of the government that is best equipped to handle them.

As the nervous system of a society, communications must express the options of that society. Therefore,

arrangements must be made enabling the provinces that so wish to exercise the responsibilities which they regard as owing to them. In connection with this issue, I shall have the pleasure of proposing a text to you presenting a theory of administrative delegation that has proved effective in other areas.

At a time when a white paper on cultural development is being tabled in Québec, the government cannot agree to being deprived of a tool whose impact on our cultural identity is obvious. I appeal to your sense of cooperation to discover convergent solutions that will meet with everyone's satisfaction. This is the spirit in which I shall be making proposals with regard to the various items on the agenda.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

FEDERAL LEGISLATION
AND
DELEGATION OF POWERS

Charlottetown
March 29-30, 1978



GOUVERNEMENT
DU QUÉBEC

MINISTÈRE DES
COMMUNICATIONS

FEDERAL LEGISLATION

AND

DELEGATION OF POWERS

You will recall that in April, 1977, I sent the federal Minister of Communications some comments based on a preliminary analysis of Bill C-43. I mentioned several points of disagreement regarding the general underlying philosophy of that bill.

I particularly insisted on the practical consequences of the application of certain sections respecting the powers which the federal government intends to take in regard to a new CRTC. To permit the executive power to intervene in the decisions of a quasi-judicial body would involve an intrusion of one authority upon another and would contravene the principle of separation of powers. Respect for democracy demands that, for the general good, the authority responsible for the final decision be clearly identified.

The possibility of political intervention muddles the question; it might be better to keep the decision-making procedure within a department rather than hide behind a court whose decisions could always be reversed at the government's will.

On May 3, 1977, the members present at the meeting of the Commission parlementaire de l'Education, des Affaires culturelles et des Communications unanimously passed a resolution requesting withdrawal of Bill C-43 from the House of Commons order paper.

Since the new Bill C-24 is acknowledged by the federal minister to be essentially the same, Québec takes cognizance of this new bill and will seek to see that its application in Québec satisfies our aims for Québec — this while recognizing that it might be advantageous for the federal government to bring into line legislation in the communications sector.

At the same time as these bills are being tabled, Supreme Court judgments are altering the structure of the communications sector. In this context, Québec looks for arrangements which would ensure continuity of Québec's actions in this sector.

The decisions start from the artificial principle that cable distribution and radio and television must necessarily form part of an indivisible system and they justify this more by economic, technical and pragmatic criteria than by actual analysis of the medium and its role or its roots in Québec life.

The Gouvernement du Québec is obliged to acknowledge the present juridical setup. However, it intends to preserve those aspects of policy which differentiate the philosophies of Québec and those of the federal government in communications matters.

Needless to say, the necessity for Québec's intervention lies in obligations of civilization, in cultural needs, and in its responsibility for drawing up and applying a coherent communications policy for its territory.

Québec's philosophy is that public service and communication are identical, and public service implies state intervention. The Gouvernement du Québec, participating daily with its population in Québec life, is better able to perceive the facts about Québec and to express them by appropriate regulations.

Noting that certain declarations of the prime ministers and ministers of Communications of Québec and Canada leave an opening for a possible sharing of the powers exercised by the federal government, and taking cognizance that Bill C-24 seems to confirm such a possibility, I sent on December 12, 1977, the text of an agreement permitting the Québec Government to exercise authority in the communications sector.

Some people found this naive on our part; others considered it to be high strategy. We saw it only as an expression of Québec's needs. It was a first step.

Today I would like to express what such an agreement could mean juridically in practice. It must fit Québec's situation and also acknowledge certain federal interests in communications which we have always admitted. For unless we are just playing to the gallery and are to be constantly under surveillance, real powers of intervention for the Gouvernement du Québec in the communications sector must issue from this agreement.

Since any arrangement dependent upon Bill C-24 remains theoretical and depends upon the passing of that bill, which might be delayed, and since unforeseen circumstances may arise, we have sought a more immediate solution which seems likely to meet the needs of both parties. We have not had to start from scratch. We have simply re-applied, in a version adapted

to the communications sector, a type of agreement which the federal government itself proposed to settle a similar problem. It is a simple and immediately applicable formula, tested in the highest courts and providing great flexibility.

The Gouvernement du Québec therefore wishes that we use in communications a formula for sharing constitutional powers such as the one which already exists in road transport, and which may be found in federal legislation of 1953-54 under chapter M-14 of the Revised Statutes of Canada, St.Laurent formula. I am tabling today, along these lines, a working paper to be considered as an hypothesis that could lead us to a solution acceptable to all parties.

This formula, which offers the advantage of covering the whole communications sector, states that where provincial law requires a licence for putting a provincial telecommunications undertaking into service, any federal undertaking operating or wishing to operate an undertaking in Québec territory should hold a licence from the provincial regulatory body.

One section envisages the possibility of drawing up agreements which would make it possible to exempt all or any part of a federal telecommunications undertaking from the act. We are thinking in particular of specific agreements governing the Canadian Broadcasting Corporation, the pan-Canadian broadcasting system, and certain crown corporations regulated by the federal government.

In 1952, the then Prime Minister, Louis St.Laurent, who to our knowledge was never recognized as an ardent champion of provincial autonomy, was faced with a similar problem in the field of transport. He came up with a solution which suited both the federal government and the provinces. As far as we are concerned, what was good then for Prime Minister St.Laurent should be good enough for the present federal Minister of Communications. So you see, this is not some dangerous Québec invention, but a solution put forward in a similar field, that of transport, by the federal government itself.

I have no doubt that such a formula will bring together the federal government and most of the provinces, who seek and exercise of powers in the communications sector.

SHORT TITLE

1. This Act may be cited as the *Motor Vehicle Transport Act*, 1953-54, c. 59, s. 1.

INTERPRETATION

2. In this Act

"extra-provincial transport" means the transport of passengers or goods by means of an extra-provincial undertaking;

"extra-provincial undertaking" means a work or undertaking for the transport of passengers or goods by motor vehicle, connecting a province with any other or others of the provinces, or extending beyond the limits of a province;

"federal carrier" means a person who operates an extra-provincial undertaking;

"law of the province" means a law of a province or municipality not repugnant to or inconsistent with this Act;

"local carrier" means a person who operates a work or undertaking, not being an extra-provincial undertaking, for the transport of passengers or goods by motor vehicle;

"local transport" means the transport of passengers or goods by motor vehicle otherwise than by means of an extra-provincial undertaking;

"local undertaking" means a work or undertaking for the transport of passengers or goods by motor vehicle, not being an extra-provincial undertaking;

SHORT TITLE

1. This Act may be cited as the "Federal Telecommunication Undertakings Act".

INTERPRETATION

2. In this Act,

"provincial regulatory body" mean

a) a commission, board, tribunal or other body established by or pursuant to an Act of the legislature of a province, or

b) a person designated by the lieutenant governor in council of a province,

to regulate telecommunications in the province;

"telecommunication undertaking" means an undertaking that is carried on within Canada for the purpose of providing telecommunication facilities or services for gain or profit or otherwise;

"telecommunication" means any transmission, emission or reception of signs, signals, writing, images, sounds or intelligence of any nature by wire, radio or other electromagnetic system or by any optical or technical system;

"federal telecommunication undertaking" means a work or undertaking for the purpose of providing telecommunication facilities or services for gain or profit or otherwise, to the extent that it is subject to the legislative authority of the Parliament of Canada;

"provincial telecommunication undertaking" means a work or undertaking for the purpose of providing telecommunication facilities or services for gain or profit or otherwise, not being a federal telecommunication undertaking;

"law of the province" means a law of a province or municipality not repugnant to or inconsistent with this Act;

OPERATION OF UNDERTAKING

Operating licence

3. (1) Where in any province a licence is by the law of the province required for the operation of a local undertaking, no person shall operate an extra-provincial undertaking in that province unless he holds a licence issued under the authority of this Act.

Issue of licence

(2) The provincial transport board in each province may in its discretion issue a licence to a person to operate an extra-provincial undertaking into or through the province upon the like terms and conditions and in the like manner as if the extra-provincial undertaking operated in the province were a local undertaking.

TARIFFS AND TOLLS

Tariffs and tolls

4. Where in any province tariffs and tolls to be charged by a local carrier for local transport are determined or regulated by the provincial transport board, the tariffs and tolls to be charged by a federal carrier for extra-provincial transport in that province may in the discretion of the provincial transport board be determined and regulated by the provincial transport board in the like manner and subject to the like terms and conditions as if the extra-provincial transport in that province were local transport. 1953-54, c. 59, s. 4.

OPERATION OF UNDERTAKING

3. (1) Where in any province a licence is by the law of the province required for the operation of a provincial telecommunication undertaking, no person shall operate a federal telecommunication undertaking in that province unless he holds a licence issued under the authority of this Act.

(2) The provincial regulatory body in each province may in its discretion issue a licence to a person to operate a federal telecommunication undertaking into or through the province upon the like terms and conditions and in the like manner as if the federal telecommunication undertaking operated in the province were a provincial telecommunication undertaking.

TARIFFS AND TOLLS

4. Where in any province tariffs and tolls to be charged by a provincial telecommunication undertaking are determined or regulated by the provincial regulatory body, the tariffs and tolls to be charged by a federal telecommunication undertaking in that province may in its discretion be determined and regulated by the provincial regulatory body in the like manners and subject to the like terms and conditions as if the federal telecommunication undertaking were a provincial telecommunication undertaking.

GENERAL

5. The Governor in Council may exempt any person or the whole or any part of an extra-provincial undertaking or any extra-provincial transport from all or any of the provisions of this Act. 1953-54, c. 59, s. 5.

GENERAL

5. Subject to agreements between the government of Canada and the government of a province, the Governor in Council may exempt any person or the whole or any part of federal telecommunication undertakings from all or any of the provisions of this Act.

Penalties

6. (1) Every person who violates any provision of this Act or who fails to comply with any order or direction made by a provincial transport board under the authority of this Act is guilty of an offence and is liable on summary conviction to a fine of one thousand dollars or to imprisonment for a term of one year, or to both.

Penalties of fines

(2) A fine imposed under subsection (1) shall be paid over by the magistrate or officer receiving it to the treasurer of the province in which it was imposed. 1953-54, c. 59, s. 6.

6(1) Every person who violates any provision of this Act or who fails to comply with any order or direction made by a provincial regulatory body under the authority of this Act is guilty of an offence and is liable on summary conviction to a fine of one thousand dollars or to imprisonment for a term of one year, or to both.

(2) A fine imposed under subsection (1) shall be paid over by the magistrate or officer receiving it to the treasurer of the province in which it was imposed.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Pay Television

Statement by the Honourable James Snow

Ontario

Charlottetown
March 29-30, 1978

STATEMENT BY
THE HONOURABLE JAMES SNOW
MINISTER OF TRANSPORTATION AND COMMUNICATIONS
GOVERNMENT OF ONTARIO
REGARDING
PAY TELEVISION
TO THE FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS
CHARLOTTETOWN, MARCH 29, 1978

A YEAR AGO I SET OUT ONTARIO'S "INITIAL VIEWS ON POLICY GUIDELINES FOR PAY TV". SINCE THAT TIME, A WORKING GROUP OF FEDERAL AND PROVINCIAL OFFICIALS HAS COMPLETED A DOCUMENT WHICH DEFINES A FULL RANGE OF OPTIONS CONCERNING THE INTRODUCTION OF PAY TELEVISION INTO CANADA. IN ADDITION, THE CRTC HAS SUBMITTED ITS REPORT TO THE FEDERAL MINISTER. ALTHOUGH THE COMMISSION STATED THAT IT WOULD NOT BE ADVISABLE TO PROCEED WITH PAY TV AT THIS TIME, IT DID SET OUT ITS POLICY GUIDELINES FOR THE INTRODUCTION OF PAY TV.

IN THESE COMMENTS I WOULD LIKE TO SUMMARIZE ONTARIO'S BROAD APPROACH TO PAY-TV AND TO ADDRESS BRIEFLY THE GUIDELINES PROPOSED BY THE CRTC.

MR. CHAIRMAN, ONTARIO IS ACUTELY CONSCIOUS OF THE NEED TO FOSTER A STRONG BROADCASTING SECTOR IN CANADA. RADIO AND TELEVISION BROADCASTING REMAIN THE PRIME MEANS FOR THE DISTRIBUTION OF CANADIAN PROGRAMS TO CANADIAN AUDIENCES. THERE CAN BE NO QUESTION ABOUT THE VITAL ROLE OF BROADCASTING IN MAINTAINING AND ENHANCING A SENSE OF CANADIAN IDENTITY. NEW DEVELOPMENTS AND POLICY PROPOSALS IN THE COMMUNICATIONS FIELD MUST BE REVIEWED IN TERMS OF THEIR IMPACT ON THE BROADCASTING SYSTEM AND ITS ABILITY TO CARRY OUT ITS FUNCTION.

IT MUST BE RECOGNIZED, HOWEVER, THAT PAY-TV IS NOT BROADCASTING IN THE TRADITIONAL SENSE. TO ATTEMPT TO FORCE-FIT IT INTO A BROADCASTING MOLD IS TO DENY THE SUBSTANTIAL BENEFITS THE NEW SERVICE CAN PROVIDE. IF ITS INTRODUCTION IS TO LEAD TO THE GREATEST POSSIBLE BENEFITS, PAY TELEVISION MUST DEVELOP AS A COMPLEMENT TO, AND NOT AS A SUBSTITUTE FOR, EXISTING BROADCASTING SERVICES.

FROM THE STANDPOINT OF POTENTIAL BENEFITS, THE INTERESTS OF THE CONSUMER SHOULD BE GIVEN HIGH PRIORITY. ONTARIO'S POSITION IS THAT PAY TV SHOULD NOT JUST OFFER "MORE OF THE SAME". RATHER IT SHOULD BRING ABOUT FOR THE VIEWER TRUE CHOICE AND GREATER DIVERSITY OF PROGRAMS AND SERVICES.

IN SHORT, PAY-TV SHOULD PERMIT THE CONSUMER TO WATCH WHAT HE WANTS TO WATCH, WHEN HE WANTS TO WATCH IT, AND AT THE PRICE HE IS PREPARED TO PAY. IN MY VIEW, THE CONSUMER SHOULD HAVE THE FLEXIBILITY TO PAY ONLY FOR THOSE PROGRAMS HE CHOOSES TO WATCH.

PAY-TV CAN AND SHOULD BRING SIGNIFICANT BENEFITS TO THE PROGRAM PRODUCTION INDUSTRY. IT MUST GUARANTEE BROADER ACCESS TO DISTRIBUTION SYSTEMS AND AUDIENCES FOR CANADIAN PROGRAM PRODUCERS AND THE CULTURAL INDUSTRIES IN GENERAL. IN SO DOING IT MUST OFFER NEW MARKETS, NEW SOURCES OF REVENUES AND NEW POOLS OF INVESTMENT FUNDS.

THE GREATEST BENEFITS WILL BE ACHIEVED THROUGH INCENTIVES FOR THE PRODUCTION OF HIGH QUALITY CANADIAN PROGRAMS WHICH WILL BE COMPETITIVE AND WHICH CANADIANS WILL CHOOSE TO WATCH. THIS WILL NOT HAPPEN

IF PAY-TV IS CONSIDERED JUST ANOTHER BROADCASTING SERVICE SUBJECT TO THE SAME RULES THAT HAVE PREVAILED IN THE PAST. IN TERMS OF GUIDELINES FOR PAY-TV, THERE SHOULD BE GREATER EMPHASIS ON INCENTIVES WHICH FOSTER COMPETITION AND A DRIVE FOR PROGRAMMING EXCELLENCE, AND LESS ON SPECIFIC QUOTA SYSTEMS WHICH WILL PROMOTE COMPLACENCY.

AS FAR AS THE PHYSICAL DISTRIBUTION SYSTEM ITSELF IS CONCERNED, ONTARIO STILL BELIEVES THAT CABLE DISTRIBUTION SYSTEMS REMAIN THE PREFERRED MEANS FOR THE DELIVERY OF PAY-TV PROGRAMS TO THE VIEWER. WE DO RECOGNIZE, HOWEVER, THAT IN NON-CABLED AREAS, PAY-TV PROGRAMS MAY BE DELIVERED "OFF-AIR." AS TO INTER-SYSTEM DELIVERY, COST CONSIDERATIONS SHOULD BE THE DETERMINING FACTOR.

THESE THEN ARE THE BROAD OBJECTIVES ONTARIO VIEWS AS DESIRABLE FOR THE DEVELOPMENT OF A PAY-TV SYSTEM IN CANADA. I HAVE NOT SET OUT MY VIEWS IN DETAIL AS I WILL BE DOING SO SOON IN A MORE COMPREHENSIVE POLICY DOCUMENT.

I WOULD LIKE NOW TO ADDRESS THE BASIC THRUSTS OF THE CRTC REPORT. THIS DOCUMENT IS A VALUABLE SUMMARY OF THE RANGE OF POSITIONS PUT FORWARD CONCERNING PAY-TV. AS WELL, IT CONTAINS A SPECIFIC SET OF POLICY GUIDELINES CONCERNING THE INTRODUCTION OF PAY TELEVISION WHICH WE MUST CONSIDER. IN GENERAL, THE REPORT REPRESENTS AN ESSENTIALLY NEGATIVE APPROACH TO PAY TELEVISION. ITS BASIC FOCUS IS TO PROTECT THE STATUS QUO IN THE BROADCASTING SECTOR RATHER THAN TO EXPLORE FULLY THE MEANS BY WHICH THIS NEW COMMUNICATIONS SERVICE CAN BRING ABOUT THE GREATEST BENEFITS TO CANADIAN PROGRAM PRODUCERS AND VIEWERS. TAKEN TOGETHER I SUSPECT ITS RECOMMENDATIONS ARE UNWORKABLE.

MORE SPECIFICALLY, IT CONCERNS ME THAT NOT ONE OF THE CRTC OBJECTIVES FOR PAY TELEVISION SETS OUT THE INTERESTS OF THE CONSUMER; YET IT IS THE CONSUMER WHO WILL BE VIEWING, AND MORE IMPORTANT, PAYING FOR PAY TELEVISION PROGRAMS. SIMILARLY, I FIND IT DIFFICULT TO UNDERSTAND HOW PAY TELEVISION'S UNIQUE POTENTIAL TO FOSTER A DEGREE OF PROGRAM DIVERSITY WHICH IS UNAVAILABLE BY WAY OF CONVENTIONAL TELEVISION, COULD BE SO CONSISTENTLY IGNORED IN A REPORT OF 56 PAGES.

SECOND, I CANNOT AGREE WITH THE HIGHLY CENTRALIZED APPROACH FAVOURED BY THE CRTC. IT WOULD TREAT PAY TV IN EFFECT AS JUST ANOTHER NATIONAL TV NETWORK. I ALSO QUESTION THE EFFECTIVENESS OF RIGID QUOTAS, AND MONOPOLY DISTRIBUTION THAT ARE RECOMMENDED. IN MY VIEW THE EMPHASIS SHOULD BE ON ACCESS, ON INCENTIVES, AND ON AS MUCH COMPETITION AND FLEXIBILITY AS IS POSSIBLE.

THE CRTC REPORT ADMITS THAT PRESENT BROADCASTING POLICIES HAVE NOT WORKED AND THAT THE OBJECTIVES OF THE BROADCASTING ACT ARE NOT BEING MET. IN VIEW OF THIS WHAT CONCERNS ME IN THE CRTC REPORT IS THE ATTITUDE THAT THE PROBLEMS WHICH CURRENTLY BESET THE BROADCASTING SYSTEM CAN, AND SHOULD, BE SOLVED BY TIGHTLY REGULATING PAY TV, OR BY BLOCKING ITS INTRODUCTION ALTOGETHER. CONVENTIONAL TELEVISION DWARFS PAY TELEVISION, AND WILL CONTINUE TO DO SO FOR THE FORESEEABLE FUTURE, NO MATTER HOW SUCCESSFUL THE NEW SERVICE BECOMES. I FIND IT SOMEWHAT DIFFICULT TO UNDERSTAND HOW THIS NEW, RELATIVELY SMALL, SERVICE CAN BE HELD OUT AS A POTENTIAL SOLUTION FOR THE PROBLEMS CONFRONTING AS LARGE AND IMPORTANT A SECTOR AS THE CANADIAN BROADCASTING SYSTEM.

THERE VERY DEFINITELY ARE PROBLEMS IN THE BROADCASTING INDUSTRY AND MOST PARTICULARLY IN THE PROGRAM PRODUCTION INDUSTRY. BUT, WHAT IS BECOMING INCREASINGLY CLEAR OVER TIME IS THAT THE BROADCASTING INDUSTRY IS NOT WITHOUT THE MEANS TO PRODUCE CANADIAN PROGRAMS OF HIGH QUALITY, WHICH CANADIANS WILL WATCH. AS MADAME SAUVE RECENTLY POINTED OUT IN TORONTO, AND I QUOTE:

"BROADCASTING HAS DONE WELL IN RECENT YEARS. IT HAS THE MEANS TO DO NEW AND EXCITING THINGS, PARTICULARLY IN TERMS OF PROGRAM PRODUCTION."

FROM MY POINT OF VIEW THE KEY TO GETTING AT THE ROOT PROBLEM IN THE BROADCASTING INDUSTRY IS THE DEVELOPMENT OF NEW BROADCASTING POLICIES WHICH MAXIMIZE THE USE OF THESE AVAILABLE RESOURCES FOR CANADIAN BROADCAST PROGRAM PRODUCTION. I DO NOT BELIEVE THIS WILL BE ACHIEVED THROUGH THE PAY-TV GUIDELINES CONTAINED IN THE CRTC REPORT.

MR. CHAIRMAN, AS I STATED LAST YEAR, ONTARIO BELIEVES THAT PAY-TV IS INEVITABLE AND THAT IT IS A DESIRABLE DEVELOPMENT -- PROVIDED IT IS INTRODUCED PROPERLY. PAY-TV CAN BENEFIT THE CONSUMER; THE INDUSTRIES

THAT PROVIDE PROGRAMMING OR SOFTWARE; AND THE SYSTEMS THAT DELIVER PAY TV SERVICES TO THE HOME.

I THINK THE BASIC QUESTION BEFORE US IS: WHERE TO FROM HERE? IN THAT SENSE THERE ARE SEVERAL ISSUES TO BE ADDRESSED.

FIRST, IS PAY TELEVISION TO BE INTRODUCED INTO CANADA ON THE BASIS OF A CO-ORDINATED FEDERAL-PROVINCIAL APPROACH, OR AM I AND MY PROVINCIAL COLLEAGUES MERELY HERE TO PROVIDE INPUT INTO A FEDERAL PAY TV POLICY?

IF, AS I WOULD SINCERELY HOPE, WE CAN ALL AGREE THAT A CO-ORDINATED FEDERAL-PROVINCIAL APPROACH IS DESIRABLE, THEN THE SECOND ISSUE BEFORE US RELATES TO HOW WE SHOULD GO ABOUT EVALUATING ALL THE PROPOSALS -- INCLUDING THOSE OF THE CRTC -- WHICH ARE BEFORE US. I WOULD HOPE THAT IN THIS PROCESS, WE WOULD BE ABLE TO NARROW OUR DIFFERENCES AND REACH SOME COMMON CONCLUSIONS. WE WILL THEN BE IN A BETTER POSITION TO WORK OUT AN AGREED-UPON TIME-TABLE FOR THE INTRODUCTION OF PAY TV INTO CANADA.

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FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Cable Delegation

Statement by the Honourable James Snow

Ontario

Charlottetown
March 29-30, 1978

STATEMENT BY
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MINISTER OF TRANSPORTATION AND COMMUNICATIONS
GOVERNMENT OF ONTARIO
REGARDING
CABLE DELEGATION
TO THE FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS
CHARLOTTETOWN, MARCH 29, 1978

I AM PLEASED TO INTRODUCE THE DISCUSSION OF CABLE DELEGATION TODAY, BECAUSE, AS I AM SURE YOU ARE ALL AWARE, ONTARIO HAS FOR SOME YEARS HAD AN INTEREST IN THE VARIOUS METHODS BY WHICH THERE MIGHT BE A MORE EQUITABLE DISTRIBUTION OF ROLES AND RESPONSIBILITIES IN THE COMMUNICATIONS SECTOR. AS FAR BACK AS NOVEMBER 1973, AT THE FIRST FEDERAL-PROVINCIAL CONFERENCE, ONTARIO CALLED FOR PROVINCIAL REGULATION OF CABLE ON THE BASIS THAT NATIONAL SYSTEMS SHOULD BE THE RESPONSIBILITY OF THE FEDERAL GOVERNMENT AND LOCAL AND REGIONAL MATTERS--SUCH AS CABLE--SHOULD BE THE RESPONSIBILITY OF THE PROVINCES.

SINCE THAT TIME, ONTARIO'S POSITION HAS NOT CHANGED.

AS I INDICATED A YEAR AGO IN EDMONTON, ONTARIO BELIEVES THAT THE MOST APPROPRIATE LEVEL OF GOVERNMENT TO UNDERTAKE THE LICENSING AND REGULATION OF CABLE DISTRIBUTION SYSTEMS IS THE PROVINCE. ONTARIO VIEWS DELEGATION AS THE BEST MEANS BY WHICH SUCH A TRANSFER OF RESPONSIBILITY MIGHT BE ACHIEVED WITHIN THE PRESENT CONSTITUTIONAL FRAMEWORK. SIMILARLY, THE FEDERAL GOVERNMENT--IN ITS 1975 GREY PAPER, IN THE TELECOMMUNICATIONS ACT, AND IN RECENT STATEMENTS BY MADAME SAUVE--HAS INDICATED THAT IT TOO IS INTERESTED IN DISCUSSING ARRANGEMENTS FOR DELEGATING AUTHORITY TO THE PROVINCES.

DURING THE PAST TWO YEARS, ON THE INSTRUCTION OF THE ONTARIO CABINET, ONTARIO HAS PURSUED NEGOTIATIONS WITH THE FEDERAL GOVERNMENT CONCERNING PROVINCIAL LICENSING AND REGULATION OF CABLE SYSTEMS. I HAVE BEEN QUITE PLEASED WITH THE PROGRESS OF THE DISCUSSIONS WHICH HAVE TAKEN PLACE, AND I HOPE THAT THIS PROGRESS WILL CONTINUE.

FOR THE PURPOSES OF THE DISCUSSIONS TODAY, ONTARIO HAS TABLED A SHORT PAPER ON CABLE DELEGATION WHICH PRESENTS OUR PERSPECTIVE OF THE CONCEPT OF DELEGATION, THE BROAD OPTIONS WHICH MIGHT FORM THE BASIS OF AN AGREEMENT, AND THE MINIMUM REQUIREMENTS WHICH ONTARIO BELIEVES CAN AND SHOULD BE MET BY ANY DELEGATION AGREEMENT. I RECOGNIZE THAT THESE MINIMUM REQUIREMENTS MAY BE DIFFERENT FOR OTHER GOVERNMENTS, BUT I WOULD LIKE TO JUST QUICKLY SUMMARIZE WHAT

I CONSIDER OUR MINIMUM REQUIREMENTS TO BE.

FIRST, A DELEGATION AGREEMENT WOULD HAVE TO BE OF SUFFICIENT SUBSTANCE TO WARRANT A TRANSFER OF RESPONSIBILITY. ONTARIO WISHES TO HAVE EFFECTIVE AUTHORITY OVER CABLE SYSTEMS NOT JUST SOME INCREASED "INPUT" INTO FEDERAL POLICIES.

SECOND, THE LINES OF RESPONSIBILITY AND ACCOUNTABILITY MUST BE CRYSTAL CLEAR TO THE INDUSTRY AND TO THE CONSUMER. THIS CAN BEST BE ACHIEVED BY SINGLE-TIER REGULATION AT THE PROVINCIAL LEVEL, SINCE THE PROVINCIAL GOVERNMENT IS BETTER PLACED TO RESPOND TO LOCAL AND REGIONAL NEEDS AND TO CONSUMER SERVICE PROBLEMS AND INQUIRIES.

FINALLY, DELEGATION SHOULD NOT RESULT IN ANY GREATER OVERALL COST TO THE CONSUMER OR TO THE INDUSTRY. IN FACT, IT IS MY BELIEF THAT COSTS COULD BE LESS AS A RESULT OF PROVINCIAL REGULATION.

ONTARIO HAS BEEN ENCOURAGED BY THE PROGRESS MADE IN EACH OF OUR RECENT MEETINGS WITH THE FEDERAL GOVERNMENT. I THINK THE TIME HAS COME TO FINALIZE OUR NEGOTIATIONS.

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FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Bill C-24, The Telecommunications Act

Statement by the Honourable James Snow

Ontario

Charlottetown
March 29-30, 1978

STATEMENT BY
THE HONOURABLE JAMES SNOW
MINISTER OF TRANSPORTATION AND COMMUNICATIONS
GOVERNMENT OF ONTARIO
REGARDING
BILL C-24, THE TELECOMMUNICATIONS ACT
TO THE FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS
CHARLOTTETOWN, MARCH 29, 1978

JUST OVER A YEAR HAS PASSED SINCE THE TELECOMMUNICATIONS ACT WAS INTRODUCED INTO PARLIAMENT. SINCE THEN, WE HAVE DISCUSSED THE ACT IN EDMONTON, OUR OFFICIALS HAVE HAD SEVERAL VERY PRODUCTIVE MEETINGS AND EACH OF US HAS HAD THE OPPORTUNITY TO COMMENT IN WRITING. WITH THE RE-INTRODUCTION OF THE LEGISLATION, ONTARIO HAS UPDATED ITS COMMENTS IN THE FORM OF A POSITION PAPER ON BILL C-24 WHICH I DISTRIBUTED TO ALL MINISTERS RESPONSIBLE FOR COMMUNICATIONS.

ONTARIO IS PLEASED THAT THE ACT, AS RE-INTRODUCED, RETAINS A NUMBER OF BASIC ELEMENTS WHICH WE BROADLY SUPPORT. I REFER, OF COURSE, TO SUCH ELEMENTS AS THE COMPREHENSIVE SET OF POLICY OBJECTIVES AND THE BROADENED FOCUS FOR THE REGULATION OF TELECOMMUNICATION COMMON CARRIERS CONTAINED IN THE ACT, AS WELL AS THE PROVISIONS FOR DELEGATION OF POWERS AND FOR POLICY DIRECTION.

I APPRECIATE THAT MADAME SAUVE HAS SEEN FIT TO MAKE SEVERAL CHANGES IN THE ACT, IN RESPONSE TO THE CONCERNS EXPRESSED BY ONTARIO AND OTHER PROVINCES. THESE AMENDMENTS HAVE IMPROVED THE LEGISLATION SUBSTANTIALLY. IN PARTICULAR, I REFER TO CHANGES IN PART V OF THE ACT WHICH RESTRICT THE KINDS OF CARRIER CONTRACTS SUBJECT TO CRTC APPROVAL AND WHICH LIMIT THE POWER OF THE COMMISSION TO APPROVE ACQUISITIONS AND DISPOSALS TO AFTER-
THE-FACT REVIEW. I BELIEVE THAT THESE CHANGES SUBSTANTIALLY DECREASE ANY POTENTIAL THREAT TO MANAGERIAL PREROGATIVE. I AM ALSO HEARTENED BY THE REFERENCE TO THE IMPORTANCE OF FEDERAL-PROVINCIAL CONSULTATION CONTAINED IN BILL C-24.

HOWEVER, I BELIEVE THAT, IN THE INTEREST OF DEVELOPING THE BEST POSSIBLE PIECE OF LEGISLATION, THERE ARE SEVERAL ADDITIONAL CHANGES WHICH SHOULD BE MADE. THESE ARE POINTED OUT IN GREATER DETAIL IN THE ONTARIO POSITION PAPER. AT THIS POINT, I WOULD LIKE TO MENTION ONLY THOSE MAJOR CHANGES WHICH I BELIEVE ARE STILL NECESSARY.

FIRST, IT IS MY VIEW THAT CABLE DISTRIBUTION SYSTEMS ARE NEITHER BROADCASTERS NOR COMMON CARRIERS AND SHOULD BE RECOGNIZED IN THE ACT AS A DISTINCT COMPONENT OF THE COMMUNICATIONS SECTOR. ONTARIO HAS NOTED THAT THE FEDERAL GOVERNMENT IMPLICITLY HAS RECOGNIZED THIS FACT, AS IT HAS BEEN FORCED IN SEVERAL SECTIONS TO EXCLUDE CABLE SYSTEMS FROM THE APPLICATION OF SECTIONS WHICH APPLY TO BROADCASTERS

OR CARRIERS. ONTARIO BELIEVES THAT A SEPARATE PART OF THE ACT IS ESSENTIAL IF THE INDUSTRY IS TO BE EFFECTIVELY REGULATED, PROGRESSIVELY DEVELOPED, AND IF MAJOR PROBLEMS ARE TO BE AVOIDED. FOR EXAMPLE, SECTION 9(2)(B), AS IT IS NOW DRAFTED, WOULD ALLOW THE GOVERNOR-IN-COUNCIL TO ISSUE DIRECTIVES CONCERNING THE CONTENT OF PAY TELEVISION, ALTHOUGH THE SECTION PRECLUDES SUCH DIRECTION WITH RESPECT TO BROADCAST PROGRAMS.

SECOND, ONTARIO BELIEVES THAT THE TERM "PROGRAMMING" SHOULD NOT BE USED IN THE ACT. I THINK WE ARE ALL ACUTELY AWARE OF HOW DIFFICULT IT HAS BEEN TO ARRIVE AT AN AGREED UPON DEFINITION OF "PROGRAMMING"--SO DIFFICULT, IN FACT, THAT WE HAVE NOT YET BEEN SUCCESSFUL. THE TERM IS SO VAGUELY DEFINED IN THE ACT THAT IT INCLUDES SERVICES SUCH AS STOCK-MARKET ANNOUNCEMENTS WHICH I THINK WE WOULD ALL ACKNOWLEDGE NOT TO BE "PROGRAMMING". THE VAGUENESS OF THE DEFINITION IS BOUND TO LEAD TO PROBLEMS IF THE TERM IS RETAINED IN THE ACT. ONTARIO WOULD SUGGEST THAT THE TERM BE REPLACED BY THE TERM "PROGRAMS" OR "SERVICES", AS APPLICABLE.

THIRD, ONTARIO BELIEVES THAT THE RECENTLY ADDED POWER OF THE GOVERNOR-IN-COUNCIL TO VARY A DECISION OF THE CRTC IS UNNECESSARY. THERE IS ALREADY IN THE ACT THE POWER TO DIRECT AND--IN THE EVENT OF ANY MISINTERPRETATION--THE POWER TO SET ASIDE OR REFER BACK A DECISION. INDEED,

ONE REASON FOR VARYING THE RECENT CRTC DECISION REGARDING THE TCTS/TELESAT AGREEMENT WAS, AND I QUOTE: "BECAUSE ADEQUATE STATUTORY MECHANISMS THROUGH WHICH THE GOVERNMENT COULD HAVE PROVIDED CLEAR POLICY GUIDANCE TO THE CRTC ARE NOT YET AVAILABLE, THE COMMISSION WAS UNABLE TO ACCORD THESE POLICY MATTERS DUE CONSIDERATION." SINCE THESE 'MECHANISMS' WOULD EXIST IN C-24, ONTARIO RECOMMENDS THAT THE POWER TO VARY A DECISION OF THE COMMISSION BE DELETED FROM THE ACT.

FOURTH, IN SEVERAL SECTIONS OF THE ACT, ONTARIO NOTES THAT POWERS OF THE GOVERNOR-IN-COUNCIL WOULD BE RESTRICTED IN THE EVENT OF DELEGATION OF POWERS TO A PROVINCE. ONTARIO WOULD LIKE TO SEE THIS RESTRICTION EXTENDED TO OTHER SECTIONS OF THE ACT, IN ORDER THAT SUCH PROVISIONS AS THE POWER TO ISSUE DIRECTIVES TO THE REGULATOR NOT APPLY IN THE EVENT OF DELEGATION.

FINALLY, WHILE ONTARIO AGREES THAT GOVERNMENTS MUST HAVE THE POWER TO DEAL WITH THE FUNDAMENTAL STRUCTURE OF THE TELECOMMUNICATIONS INDUSTRY, IN MY VIEW THE LANGUAGE OF SECTION 56 IS EXCESSIVELY NEGATIVE WITH RESPECT TO COMPETITION. THIS IS ALL THE MORE SO, GIVEN THE FACT THAT THERE IS NO MENTION OF COMPETITION IN THE TELECOMMUNICATIONS POLICY FOR CANADA, OR ANYWHERE ELSE IN THE ACT. SINCE ISSUES RELATED TO COMPETITION WILL ASSUME INCREASING IMPORTANCE IN THE FUTURE, THIS PLACES TOO

MUCH OF A BURDEN ON A SINGLE SECTION OF THE ACT.

IF THE PURPOSE OF THIS SECTION IS TO ENSURE THE RATIONAL DEVELOPMENT OF THE TELECOMMUNICATIONS SECTOR, THEN ONTARIO RESPECTFULLY SUGGESTS THAT A FEDERAL-PROVINCIAL AGREEMENT IS NECESSARY TO ENSURE THAT THE POWER TO PROHIBIT CONSTRUCTION IS AVAILABLE IN ALL JURISDICTIONS, AS SUGGESTED IN THE GREY PAPER. IN CONSIDERATION OF THE FACT THAT THERE HAS BEEN NO SUCH AGREEMENT, ONTARIO RECOMMENDS THAT THE LANGUAGE OF THIS SECTION BE AS CONTAINED IN BILL C-43.

MADAME CHAIRMAN, ONTARIO FOR THE MOST PART SUPPORTS THE BASIC THRUSTS OF THE FEDERAL LEGISLATION. HOWEVER, IT IS MY SINCERE HOPE THAT THE DOOR IS NOT CLOSED TO FURTHER CHANGES, INCLUDING THOSE RECOMMENDED IN THE ONTARIO POSITION PAPER.



FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Opening Statement

by

The Honourable James Snow

Ontario

Charlottetown
March 29-30, 1978

OPENING STATEMENT

BY

THE HONOURABLE JAMES SNOW
MINISTER OF TRANSPORTATION AND COMMUNICATIONS
GOVERNMENT OF ONTARIO
TO THE FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS
CHARLOTTETOWN, MARCH 29, 1978

I WOULD LIKE TO EXPRESS MY PLEASURE IN MEETING WITH YOU AND MY PROVINCIAL COLLEAGUES TODAY, AND THANK YOU FOR PROVIDING ME WITH THIS OPPORTUNITY TO MAKE SOME BRIEF OPENING REMARKS TO THIS CONFERENCE.

ONE YEAR AGO--TO THE DAY--WE MET IN EDMONTON. ON THAT OCCASION, THE AGENDA FOR THE MEETING APPEARED VERY SIMILAR TO THE ONE WHICH FACES US TODAY. AT FIRST GLANCE THIS WOULD SUGGEST THAT LITTLE HAS HAPPENED OVER THE PAST YEAR. THIS IS HARDLY THE CASE. EVENTS HAVE BEEN BOTH SWIFT AND PERVASIVE.

I AM REFERRING SPECIFICALLY TO:

- THE SUPREME COURT DECISION ON CABLE
- REINTRODUCTION OF BILL C-24
- THE DECISION ON THE MERGER OF TELESAT
AND THE TRANS-CANADA TELEPHONE SYSTEM
BY C.R.T.C.
- CABINETS OVERRULING THIS DECISION
- THE CURRENT CN/CP TELECOMMUNICATIONS
APPLICATION TO INTERCONNECT WITH BELL
CANADA'S SYSTEM
- THE C.R.T.C. HEARINGS AND REPORT ON PAY TV
- THE INTRODUCTION OF PAY TV IN SASKATCHEWAN;
AND
- THE RESTRICTIVE TRADE PRACTICES COMMISSION
HEARINGS ON THE VERTICAL INTEGRATION OF
BELL CANADA AND NORTHERN TELECOM

I THINK, THEN, THE SIMILARITY OF THE AGENDAS REFLECTS THE LONG-TERM IMPORTANCE OF THE ITEMS WE WILL BE DISCUSSING. TAKEN TOGETHER, THE DECISIONS ON THESE ISSUES WILL DETERMINE THE STRUCTURE AND DIRECTION OF THE COMMUNICATIONS SECTOR FOR SEVERAL DECADES TO COME.

FIRST, THE FEDERAL GOVERNMENT'S TELECOMMUNICATIONS ACT HAS BEEN RE-INTRODUCED INTO PARLIAMENT. FOR THE MOST PART, ONTARIO SUPPORTS THE FEDERAL LEGISLATION. I THINK IT WILL PROVIDE A BROAD AND FLEXIBLE FRAMEWORK FOR THE REGULATION OF COMMUNICATIONS. THE ACT CONTAINS A MECHANISM FOR DELEGATING RESPONSIBILITIES TO THE PROVINCES WHICH WE INTERPRET AS A SIGN OF FLEXIBILITY ON THE PART OF THE GOVERNMENT OF CANADA. IT GOES A LONG WAY TOWARDS ESTABLISHING A PROPER BALANCE BETWEEN THE POLICY-MAKING ROLE OF GOVERNMENT AND THE REGULATORY ROLE OF THE INDEPENDENT COMMISSION. ONTARIO DOES, HOWEVER, HAVE MAJOR RESERVATIONS CONCERNING THE MANNER IN WHICH CABLE IS TREATED IN THE ACT. IN OUR VIEW, CABLE SYSTEMS ARE NEITHER BROADCASTERS NOR COMMON CARRIERS, AND SHOULD BE DEALT WITH IN A SEPARATE PART OF THE ACT. IN ADDITION,

ONTARIO IS CONCERNED ABOUT THE GENERALLY NEGATIVE ATTITUDE OF THE ACT TOWARDS COMPETITION IN THE COMMUNICATIONS SECTOR.

SECOND, THE ISSUES RELATED TO THE COMPETITION TOPIC HAVE BECOME MORE SHARPLY FOCUSSED SINCE WE LAST MET. ONTARIO CONSIDERS THAT DISCUSSION OF THIS ITEM MUST INCLUDE THE BROADER TOPIC OF INDUSTRY STRUCTURE INCLUDING CONSIDERATION OF THE ADVANTAGES AND DISADVANTAGES OF:

- (1) VERTICAL INTEGRATION BETWEEN THE MANUFACTURING ENTITY AND THE TELEPHONE OPERATING COMPANY, AND THE POSSIBILITY OF COMPETITIVE SUPPLY OF TERMINAL EQUIPMENT;
- (2) LIBERALIZED ATTACHMENT OF CUSTOMER-OWNED TERMINALS TO THE TELECOMMUNICATIONS NETWORK;
- (3) INTERCONNECTION OF TELECOMMUNICATIONS SYSTEMS AND SERVICES;
- (4) THE POTENTIAL FOR INTEGRATION OF BOTH LOCAL AND INTER-CITY PLANT, IN THE FUTURE; AND

- (5) THE RELATIONSHIP BETWEEN OWNERSHIP OF FACILITIES AND MARKETING OF SERVICES, AND THE APPROPRIATENESS OF VALUE-ADDED CARRIERS.

THE KEY ISSUES WHICH CONFRONT ALL OF US RELATE TO THE PROPER BOUNDARY BETWEEN SERVICES PROVIDED ON A MONOPOLY BASIS AND THOSE PROVIDED ON A NON-MONOPOLY BASIS, AND THE RELATIONSHIP BETWEEN THE ENTITY WHICH OWNS THE FACILITIES AND THE ENTITY WHICH MARKETS SERVICES. I THINK WE CAN ONLY BEGIN TO ANSWER THESE QUESTIONS AT THIS CONFERENCE.

ON THE ISSUE OF PAY TV, THERE HAVE NOW BEEN TWO C.R.T.C. HEARINGS, MANY BRIEFS, THE REPORT OF THE FEDERAL-PROVINCIAL WORKING GROUP AND, MOST RECENTLY THE C.R.T.C. REPORT. USING ALL THIS INPUT, I HOPE WE CAN GET ON WITH THE TASK OF JOINTLY DETERMINING ACCEPTABLE POLICY GUIDELINES FOR THE INTRODUCTION OF PAY TV. ONTARIO BELIEVES THIS MUST BE A CO-OPERATIVE FEDERAL-PROVINCIAL EFFORT AND I WOULD SEEK MADAME SAUVÉ'S COMMITMENT TO PROCEED ON THAT BASIS.

FINALLY, IT WOULD NOT BE POSSIBLE TO CONCLUDE MY REMARKS WITHOUT MAKING REFERENCE TO THE QUESTION OF CABLE DELEGATION. SINCE 1973 ONTARIO HAS PUBLICLY TAKEN THE

POSITION THAT THERE SHOULD BE A MORE BALANCED AND CLEARLY DEFINED DISTRIBUTION OF RESPONSIBILITIES BETWEEN THE TWO LEVELS OF GOVERNMENT IN THE FIELD OF COMMUNICATIONS. ONTARIO RECOGNIZES THE NEED TO MAINTAIN THE INTEGRITY OF COMMUNICATIONS SYSTEMS AND SERVICES ON A NATIONAL BASIS. AT THE SAME TIME, WE BELIEVE THAT THE ALLOCATION OF GOVERNMENTAL RESPONSIBILITIES MUST BE SUFFICIENTLY FLEXIBLE TO PERMIT THE PROVINCES TO RESPOND DIRECTLY TO DIVERSE PROVINCIAL AND LOCAL NEEDS WHICH EXIST ACROSS THIS COUNTRY.

IN THAT REGARD THE GOVERNMENT OF ONTARIO HAS CONSISTENTLY INDICATED IT WISHES GREATER DIRECT AND CLEAR RESPONSIBILITIES TO ENABLE IT TO INFLUENCE COMMUNICATIONS DEVELOPMENTS IN ONTARIO AND TO DEAL WITH THE IMPACT OF THOSE DEVELOPMENTS ON THE RESIDENTS AND INDUSTRY OF THE PROVINCE. SINCE WE LAST MET IN EDMONTON, THE SUPREME COURT OF CANADA HAS AFFIRMED FEDERAL JURISDICTION OVER CABLE. NEVERTHELESS, ONTARIO'S POSITION REMAINS THE SAME TODAY. THE PROVINCE STILL BELIEVES THE MOST APPROPRIATE LEVEL OF GOVERNMENT TO UNDERTAKE RESPONSIBILITIES FOR CABLE TELEVISION DISTRIBUTION SYSTEMS IS THE PROVINCIAL LEVEL. ONTARIO THEREFORE WANTS TO LICENSE AND REGULATE CABLE DISTRIBUTION SYSTEMS IN THE PROVINCE, INCLUDING ALL CLOSED-CIRCUIT SERVICES THAT MAY BE OFFERED BY THOSE SYSTEMS.

ONTARIO IS PREPARED TO SPEAK TO THE ISSUE OF CABLE DELEGATION, OUTLINING WHAT IN OUR VIEW ARE ITS ADVANTAGES, AS WELL AS THE PROBLEMS TO BE AVOIDED IN MOVING TOWARDS AN AGREEMENT. THESE ISSUES WILL, I AM CONFIDENT, BE ACCORDED FULL AND FRANK DISCUSSION.

THIS IS THE FOURTH CONFERENCE OF COMMUNICATIONS MINISTERS SINCE 1973. WHILE EVENTS IN THE FIELD HAVE BEEN TAKING PLACE VERY RAPIDLY, QUITE FRANKLY VERY LITTLE HAS BEEN ACCOMPLISHED TO DATE IN OUR CONFERENCES. THE ISSUES ON OUR AGENDA ARE VERY IMPORTANT. IT IS MY SINCERE HOPE AND OBJECTIVE THAT WE CAN ACHIEVE CONCRETE RESULTS ON EACH OF OUR DISCUSSION TOPICS AND PROVE THAT CONFERENCES SUCH AS THIS ACTUALLY SERVE SOME USEFUL PURPOSE.

IN MY OPENING STATEMENT IN EDMONTON, I OBSERVED THAT WE ALL SHARE THE DESIRE TO STRENGTHEN CANADA AS A RESULT OF OUR DELIBERATIONS AND THROUGH THE POLICIES WHICH EMERGE FROM OUR DISCUSSIONS. THIS REMAINS MY HOPE TODAY.

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FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Press Release

March 29, 1978

Nova Scotia

Charlottetown
March 29-30, 1978

FOR IMMEDIATE RELEASE

March 29, 1978

CHARLOTTETOWN - Communications - ATV Proposal

At a news conference in Charlottetown today, the Honourable J. Fraser Mooney, Minister responsible for Communications in Nova Scotia, outlined the results of negotiations that have been going on with the Atlantic Television System (ATV), the Office of Communications Policy, the federal Department of Communications and the Canadian Radio Television Telecommunications Commission (CRTC).

The Minister said that ATV has come forward with a proposed five year development plan which would improve television service throughout the province of Nova Scotia. The proposal, developed in conjunction with the Province, would see the establishment of eight new transmitters in the province, a power increase at the existing Canning transmission site and the provision of a new Ultra High Frequency program service originating out of the city of Halifax.

The capital cost, estimated at 7.5 million, and the full operational costs would be borne entirely by ATV at no cost to the government. At least 40 new permanent jobs will be created, Mr. Mooney said.

Mr. Mooney said that the proposal meets all of the priorities toward which the Nova Scotia Office of Communications policy has been working since 1973. Extensive negotiations have been carried out with the federal regulatory bodies, the CBC and ATV with the objective of assuring that all Nova Scotians would receive adequate television signals from both the CBC and ATV and that these signals would originate in Nova Scotia.

He said that studies carried out by the Department of Communications and the CRTC had indicated that while much of Nova Scotia was receiving good service from ATV there were still areas of the province with less than adequate service. The areas isolated were a section of the Canso Strait area, the Sheet Harbour area of the eastern shore, parts of the town of Truro and the southwestern tip of the province centred around Yarmouth. The surveys had also shown that Cumberland County and a large portion of the Annapolis Valley received their ATV service from stations located outside the province.

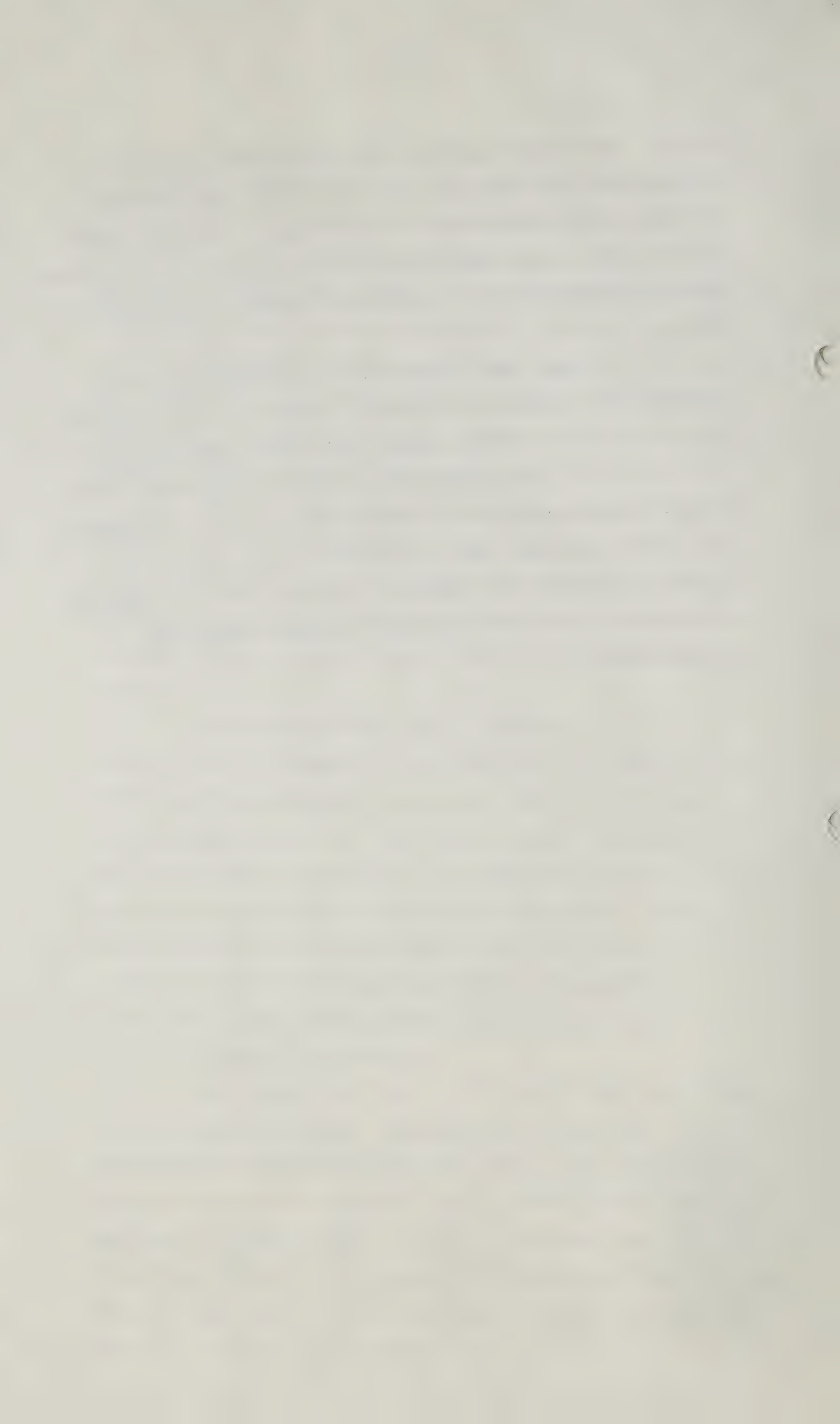
ATV had addressed itself to this problem, said the Minister, and were proposing to build over a five-year period eight new transmitters and increase the power of the Canning transmitter so that all signal problems would be overcome and all Nova Scotians would receive a provincially-based television service.

The Minister said that an integral part of the proposed ATV development program would see the establishment of an ultra high frequency service in the city of Halifax operating on Channel 22. This would provide an alternative program service to that presently offered by CJCH-TV. Programs presented on the new service would be designed to further the stated objectives and priorities of the province of Nova Scotia in the areas of educational broadcasts, the development of provincial talent and the presentation of Nova Scotia news and public affairs programming.

Mr. Mooney said that he was pleased that one of the primary objectives of the proposed new service would be the scheduling of a major Nova Scotia-oriented news broadcast as an earlier alternative to both the CBC National News at 11:00 p.m. and the CTV National News at midnight. He said that another stated goal of the service would be an exchange of program ideas not just from Halifax out to the smaller communities but from these areas back to the capital city.

Mr. Mooney said that Nova Scotia was extremely pleased with the results of discussion since they appeared to meet all of the objectives of the province. For this reason, he said, Nova Scotia would lend its full support to the proposal which he hoped would be considered at an early hearing of the CRTC.

"We feel this represents a new concept in joint broadcaster, provincial and federal government co-operation," said the Minister. "The proposal will bring improvement of the existing ATV off-air service; it will provide Nova Scotia-based ATV service to most of the province; and it will provide Nova Scotia-based ATV service to most of the province and it will introduce more programming services with the emphasis on provincially-oriented programs including educational programming."



FEDERAL-PROVINCIAL CONFERENCE
OF

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FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Joint Proposal by Alberta and New Brunswick
Regarding the Matter of the Interconnection of
Major Telecommunications Systems in Canada

Charlottetown
March 29-30, 1978



Competition - Interconnection of Carrier Systems

WHEREAS the interconnection of telecommunications systems in Canada will affect the structure of this industry and its service to the public in every province.

AND WHEREAS such interconnecting arrangements would be to the eventual disadvantage of small business, farm and residential telephone subscribers, the full extent of which needs to be determined.

AND WHEREAS such interconnecting arrangements would create difficulties for provincial regulation of local telecommunication carriers in accordance with provincial social, educational and cultural objectives.

THEREFORE be it resolved that the issue of the interconnection of telecommunications systems be recognized as a policy matter rather than a regulatory matter and as such is to be decided by the governments collectively responsible.

AND BE IT FURTHER RESOLVED that the interconnection of telecommunications systems should not be initiated unless the governments consider this to be in the interests of the majority of Canadians.

Moved jointly by Alberta/New Brunswick.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

CONFERENCE FEDERALE-PROVINCIALE
DES
MINISTRES DES COMMUNICATIONS

Press Clippings of
March 28, 1978

Coupures de presse
du 28 mars 1978

Charlottetown
March 29-30, 1978

Charlottetown
les 29 et 30 mars 1978

Communications talks

Provinces seek cable TV control

MONTREAL STAR 28/03/77 P. A4

By PAUL GERSFELL
OTTAWA (CP) — Provincial delegations will ask the federal government this week to give them greater control over cable television in the interest of national unity.

The long-simmering issue, which has been especially disturbing to relations between Ottawa and Quebec City, will be one of the major topics discussed at a federal-provincial communications conference tomorrow and Thursday in Charlottetown.

A position paper prepared by Ontario says the broadcasting system "is an essential tool in maintaining national unity and a sense of Canadian identity."

But to safeguard unity, the federal government must recognize "that the requirements of Canadians may vary from province to province—and that some needs can be met more effectively at the provincial level."

In this case, Ontario refers specifically to the need for

provincial control of cable television.

Ontario's position is similar to that of Quebec, which set off a federal-provincial controversy over cable television in the early 1970s.

Lost challenge

Quebec challenged federal control over cable television in the Supreme Court of Canada, losing its case in December.

Communications Minister Jeanne Sauvé says she is willing to sign agreements with individual provinces, giving them greater control, but can not completely loosen the federal grip.

Quebec, which boycotted the federal-provincial communications conference in

Edmonton last March, plans to attend the Charlottetown meeting.

A spokesman for Quebec Communications Minister Louis O'Neill said his boss is going to Charlottetown "with realistic optimism."

The government goal is for complete control of communications in Quebec. The other provinces and the federal

all government say both levels of government must contribute.

J. Fraser Mooney, Nova Scotia's minister responsible for communications, says he will ask the Charlottetown conference to establish an independent review of Canadian broadcasting, with special emphasis on cable television and pay-TV.

Mr. Mooney said in a recent interview that clarification is needed because the present system is a patchwork of jurisdictions.

"It is our view that communications in all forms is one of the means of encouraging regional development, reducing regional disparity, and promoting national unity," Mr. Mooney said.

Ministers to communicate

CHARLOTTETOWN (CP) — All provinces but British Columbia will be represented at a two-day conference of federal and provincial communications ministers opening here Wednesday.

Quebec, which did not have a representative at the last such meeting, has indicated it will send communications minister Louis O'Neill.

Norman Hall, co-ordinator for the two-day

meeting, said Monday the conference will focus attention on topics that include a new federal telecommunications bill, pay-TV and intercarrier competition.

He said Prince Edward Island will not make any "grandstand play" over liquor advertising on cable television.

At stake is the province's attempt to have liquor advertisement deleted

from programs broadcast over cable TV outlets in the province. Advertising of liquor is illegal in P.E.I. under the provincial liquor control act.

Hall said some provinces such as Quebec and Ontario will be looking for a large measure of control over provincial communication policies but there would be no unanimity among the provinces on this point.

O'Neill rencontre pour la première fois ses homologues provinciaux

DRBT 28/03/77 P1

QUEBEC (PC) — C'est avec un "optimisme réaliste" que le ministre québécois des Communications, M. Louis O'Neill, se rend aujourd'hui, à la conférence fédérale-provinciale des ministres des Communications.

La réunion se déroulera à Charlottetown, à l'Île-du-Prince-Édouard, demain et jeudi.

L'ordre du jour n'est pas encore connu mais on présume que les questions de la télévision à péage, la cablodistribution, les arrangements administratifs, figurent parmi les sujets les plus controversés.

Ce sera la première fois que M. O'Neill rencontrera ses homologues provinciaux puisqu'il avait boudé la conférence de mars 1977 à Edmonton pour protester contre le manque de précision des rôles et responsabilités des deux niveaux de gouvernement dans le domaine des communications.

M. O'Neill a toujours paru comme l'un des ministres québécois les plus intransigeants avec Ottawa.

Peu après avoir été assermenté comme ministre, il avait traité le gouvernement fédéral de "gouvernement étranger" et il a dénoncé maintes fois "l'empirisme" d'Ottawa sur les droits des provinces en matière de communications, intimement liées à la culture et à l'éducation, des domaines de juridiction exclusivement provinciale.

Au début de l'été dernier, M. O'Neill rencontrait à Québec le ministre fédéral des Communications, Mme Jeanne Sauvé, et les deux personnages ont tenté de rapprocher quelque peu les différents points de vue.

Depuis lors, le ministre québécois a adouci son attitude, surtout après que Mme Sauvé ait promis de déléguer plus de pouvoirs aux provinces dans le projet de loi C-24, en particulier dans les domaines de la radio et la télévision.

Une seule absente

CHARLOTTETOWN (PC) — Seule la Colombie-Britannique ne sera pas représentée à la conférence fédérale-provinciale des ministres des Communications, qui s'ouvre dans la capitale de l'Île-du-Prince-Édouard demain.

M. Norman Hall, coordinateur de la réunion de deux jours, a annoncé hier qu'il allait surtout être question du projet de loi fédéral sur les télécommunications.

Il ne fait pas de doute, également, qu'on parlera de télévision à péage et de cablodistribution.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Competition/Telecommunications Industry Structure

Statement by the Honourable James Snow

Ontario

Charlottetown
March 29-30, 1978

STATEMENT BY
THE HONOURABLE JAMES SNOW
MINISTER OF TRANSPORTATION AND COMMUNICATIONS
GOVERNMENT OF ONTARIO
REGARDING
COMPETITION/TELECOMMUNICATIONS INDUSTRY STRUCTURE
TO THE FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS
CHARLOTTETOWN, MARCH 29, 1978

DURING THE PAST YEAR THERE HAVE BEEN DISCUSSIONS AND REGULATORY HEARINGS CONCERNING SEVERAL IMPORTANT ISSUES THAT ARE DIRECTLY RELATED TO OUR AGENDA TOPIC--COMPETITION AND INDUSTRY STRUCTURE IN THE TELECOMMUNICATIONS SECTOR.

THE APPLICATION BY TELESAT CANADA TO JOIN THE TRANS-CANADA TELEPHONE SYSTEM RAISED THE QUESTION OF THE APPROPRIATE ORGANIZATIONAL ARRANGEMENTS FOR THE DEVELOPMENT AND USE OF SATELLITE TECHNOLOGY IN CANADA. THE RESTRICTIVE TRADE PRACTICES COMMISSION IS CURRENTLY EXAMINING THE RELATIONSHIP WHICH EXISTS BETWEEN CERTAIN TELEPHONE OPERATING COMPANIES AND THEIR MANUFACTURING SUBSIDIARIES. THE CRTC DECISION IN THE CHALLENGE COMMUNICATIONS CASE HAS MAJOR IMPLICATIONS FOR THE QUESTION OF A FREER POLICY REGARDING THE ATTACHMENT OF NETWORK-ADDRESSABLE TERMINALS.

AND, THE CNCP APPLICATION TO INTERCONNECT WITH BELL CANADA'S LOCAL NETWORK--WHICH IS CURRENTLY BEFORE THE CRTC--RAISES THE FUNDAMENTAL ISSUE OF THE BOUNDARY BETWEEN MONOPOLY AND NON-MONOPOLY SERVICES. IT ALSO RAISES THE ISSUE OF THE DESIRABILITY OF HAVING A SINGLE INTEGRATED CARRIER FURNISH ALL FACILITIES AND PROVIDE ALL SERVICES; AND, THE IMPACT OF COMPETITION IN INTER-CITY TRANSMISSION ON LOCAL RATES.

I WOULD LIKE TO SAY INITIALLY THAT IT IS NOT MY INTENTION TODAY TO COMMENT ON THE MERITS OF THE CNCP APPLICATION. ONTARIO CAN PERCEIVE BOTH BENEFITS AND COSTS WHICH WOULD RESULT FROM EITHER APPROVAL OR DENIAL OF THE APPLICATION. ONTARIO IS PARTICIPATING FULLY IN THE HEARINGS, AND IS TESTING THE EVIDENCE PRESENTED BY BOTH THE APPLICANT AND THE RESPONDENT. WE ARE DOING SO BASED ON THE PUBLIC POLICY ISSUES INVOLVED IN THE APPLICATION. BASED ON OUR ANALYSIS OF THE BENEFITS AND COSTS OF THE APPLICATION, WE WILL PUT FORWARD IN FINAL ARGUMENT THE POSITION OF THE GOVERNMENT.

IT IS IMPORTANT THAT WE NOT VIEW THESE EVENTS I HAVE MENTIONED IN ISOLATION, FOR THERE IS A COMMON THREAD BINDING THEM TOGETHER. WHAT IS REALLY AT ISSUE IN THESE SEEMINGLY DISCRETE EVENTS IS THE FUTURE STRUCTURE OF THE TELECOMMUNICATIONS INDUSTRY IN CANADA.

THE PAPER PRESENTED BY MY COLLEAGUES FROM THE MARITIME PROVINCES PROVIDES A VERY VALUABLE HISTORICAL OVERVIEW OF THE STRUCTURE OF THE TELECOMMUNICATIONS INDUSTRY. IN MY VIEW, HOWEVER, THE INCREASINGLY RAPID PACE OF TECHNOLOGICAL, SOCIAL AND ECONOMIC CHANGE MEANS THAT THE NATURE OF THIS SECTOR IN FUTURE WILL BE VERY DIFFERENT FROM THAT WHICH WE HAVE KNOWN TO DATE.

UNTIL RECENTLY THE PACE OF TECHNOLOGICAL CHANGE IN THE TELECOMMUNICATIONS SECTOR HAS BEEN RELATIVELY SLOW, AS CAN BE SEEN FROM THE TRADITIONALLY LONG-LIFE OF TELEPHONE PLANT. THE COMPUTER REVOLUTION--AND MINIATURIZATION--HAVE CHANGED ALL THAT. ENTIRELY NEW DEMANDS FOR COMMUNICATIONS SERVICES HAVE APPEARED WHICH ARE FUNDAMENTALLY DIFFERENT FROM THE DEMAND FOR BASIC TELEPHONE SERVICE. THE NEW DEMANDS ARE SPECIALIZED, WITH THE SERVICES ADAPTED MORE TO THE NEEDS OF THE INDIVIDUAL USER. THIS HAS LED TO A RE-EVALUATION OF TRADITIONAL PRACTICES, PARTICULARLY WITH RESPECT TO THE POSSIBILITY OF FREER TERMINAL ATTACHMENT POLICIES; AND, TO GREATER CHOICE IN THE SUPPLY OF TELECOMMUNICATION SERVICES.

ASIDE FROM CREATING THE DEMAND FOR NEW SERVICES, TECHNOLOGICAL CHANGE IS REVOLUTIONIZING THE FACILITIES USED TO PROVIDE THOSE SERVICES. THIS RAISES THE POTENTIAL FOR

NEW ENTRANTS INTO WHAT HAVE TRADITIONALLY BEEN TELECOMMUNICATION MARKETS SERVED BY THE TELEPHONE COMPANIES.

THE TELEPHONE COMPANIES HAVE BEEN FORCED TO RESPOND TO THIS CHALLENGE. FOR EXAMPLE, NORTHERN TELECOM'S NEW AGGRESSIVE R&D AND MARKETING STRATEGIES--WHICH ARE PROVING SO SUCCESSFUL--SEEM TO BE TELLING US THAT FIELDS AS DIVERSE AS THE MANUFACTURE OF SOPHISTICATED TERMINAL AND SWITCHING DEVICES, AND "PLAIN OLD TELEPHONE SERVICE" REQUIRE VERY DIFFERENT MANAGEMENT STYLES. IN MY VIEW, CANADIANS MUST RESPOND TO THESE CHALLENGES IF WE ARE TO REMAIN AT THE FOREFRONT OF TECHNOLOGICAL CHANGE, IF WE ARE TO ENHANCE OUR INTERNATIONAL COMPETITIVENESS, AND IF THE TELECOMMUNICATIONS SYSTEM IN CANADA IS TO REMAIN AMONG THE BEST IN THE WORLD. THIS BECOMES ALL THE MORE CRUCIAL AS THE COMMUNICATIONS INPUT INTO THE INDUSTRIAL PRODUCTION PROCESS BECOMES MORE SIGNIFICANT, AND AS WE HEAD FURTHER TOWARDS THE "INFORMATION-BASED ECONOMY".

FROM ONTARIO'S POINT OF VIEW, IT IS WITHIN THIS CONTEXT OF RAPID CHANGE AND SIGNIFICANT OPPORTUNITIES THAT THE AGENDA TOPIC DEALING WITH COMPETITION/INDUSTRY STRUCTURE MUST BE ADDRESSED. IN MY VIEW, THE ISSUES WHICH CONFRONT US CAN BE NARROWED DOWN TO FOUR:

FIRST, WHAT IS THE PROPER BOUNDARY BETWEEN SERVICES OFFERED ON A MONOPOLY BASIS, AND THOSE OFFERED ON A NON-MONOPOLY BASIS?

THE POSITIONS ON THIS ONE VARY FROM THOSE WHO WOULD FAVOUR A SINGLE INTEGRATED PLANT SUPPLYING VIRTUALLY ALL SERVICES--WITH THE POSSIBLE EXCEPTION OF BROADCASTING-- TO THOSE WHO FAVOUR RESTRICTING THE MONOPOLY AREA ONLY TO THAT WHICH IS ABSOLUTELY NECESSARY.

SECOND, WHAT IS THE PROPER DEGREE OF VERTICAL INTEGRATION IN THE INDUSTRY; THAT IS, SHOULD THE TELEPHONE OPERATING COMPANY OWN ITS OWN MANUFACTURING ARM?

THIRD, SHOULD SERVICES BE MARKETED BY THE SAME ENTITY THAT OWNS THE FACILITIES, OR IS THERE ROOM IN THE CANADIAN MARKET FOR THOSE WHO PROVIDE TELECOMMUNICATION SERVICES BUT DO NOT OWN FACILITIES;

FOURTH, WHAT RATE STRUCTURES COULD BEST ENSURE A HEALTHY TELECOMMUNICATION SECTOR, AS WELL AS FAIRNESS TO DIFFERENT CLASSES OF USERS IN DIFFERENT REGIONS OF THE COUNTRY?

MR. CHAIRMAN, WHAT IT ALL COMES DOWN TO IS WHETHER--IN A SECTOR CHARACTERIZED BY SUCH RAPID AND PERVASIVE CHANGE--A SINGLE-SUPPLIER FOR END-TO-END SERVICE IS NECESSARY, DESIRABLE OR EVEN FEASIBLE. IN GENERAL, ONTARIO PREFERS COMPETITIVE SOLUTIONS, UNLESS IT CAN BE DEMONSTRATED THAT THE DISADVANTAGES OF COMPETITION OUTWEIGH ITS ADVANTAGES. OUR BASIC POSITION IS THAT, GIVEN THE RAPID DEVELOPMENTS IN THE TELECOMMUNICATION SECTOR, AS MANY OPTIONS AS POSSIBLE SHOULD BE KEPT OPEN FOR THE FUTURE.

IN VIEW OF THE NATURE AND FAR-REACHING IMPACT OF THESE ISSUES, I DO NOT THINK WE ARE GOING TO RESOLVE ALL THE QUESTIONS AT THIS CONFERENCE. I DO HOPE, HOWEVER, THAT WE CAN PUT INTO PLACE MECHANISMS WHEREBY THESE POLICY ISSUES CAN BE ADDRESSED. FOR THIS REASON, ONTARIO WOULD BE WILLING TO PARTICIPATE IN A STUDY OF WHETHER CRITERIA CAN BE DEVELOPED TO DETERMINE IF, TO WHAT EXTENT, AND UNDER WHAT CONDITIONS COMPETITION IS IN THE PUBLIC INTEREST. THIS STUDY SHOULD NOT, HOWEVER, BE CONFINED SIMPLY TO INTER-CARRIER COMPETITION, BUT SHOULD EXAMINE THE MUCH BROADER QUESTION OF INDUSTRY STRUCTURE AS A WHOLE.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS



JOINT COMMUNIQUE

March 29, 1978

Charlottetown
March 29-30, 1978



JOINT COMMUNIQUE

CHARLOTTETOWN, March 29, 1978 -- In a meeting of federal and provincial Ministers of Communications, discussions have been held on a number of issues of concern to both levels of governments.

Among the items discussed were those dealing with federal telecommunications legislation (Bill C-24), pay-television, the delegation to the provinces of federal authority over cable television, competition and mechanisms for future consultations.

Provincial ministers generally supported Bill C-24, introduced in the House of Commons on January 26, 1978, and expressed the hope that the legislation would be adopted as soon as possible. In particular, provinces considered important that feature of the Bill which clarifies the division of responsibilities between policy development and the regulation of telecommunications. Federal Minister of Communications Jeanne Sauvé said that further amendments to the legislation, such as those suggested by the provinces, could still be considered at the appropriate stage in the legislative process.

On the question of pay-television, there were differences as to the need for introducing this new service at this time, and there was no consensus as to the jurisdiction over pay-television.

Certain provincial Ministers noted that they would be developing and implementing pay-television policies and it was noted that the federal government would proceed to develop, in conjunction with provinces who wish to do so, a model for the introduction of pay-television in Canada.

On the subject of cable delegation, discussion focused on the range of options and minimum requirements that could form the basis of any potential agreements. It was thought desirable that whatever arrangements are ultimately achieved, they should provide clear lines of accountability, avoid any form of two-tier regulation, and ideally provide compatible regulatory procedures throughout the country. As well, there was a general acknowledgement that, in any delegation agreement, the federal government has an interest in protecting the integrity of the Canadian broadcasting system.

Discussions are proceeding on a bilateral basis between the federal government and various provinces on possible delegation options, including provincial licensing and regulation of cable systems. It was generally recognized that further work is required on several issues before effective accords can be reached in the area of delegation. In this regard, Mme Sauvé agreed that interested provinces would have the opportunity to review any agreements before they came into force.

The Government of Quebec tabled a proposal outlining a possible arrangement with respect to the delegation of responsibilities over telecommunications based on a model contained in the federal Motor Vehicle Transport Act.

The Ministers engaged in a wide-ranging discussion of the issues related to competition and industry structure. A majority of provincial Ministers of Communications expressed serious concern about the current CN/CP interconnection application before the CRTC.

The Ministers agreed to the establishment of a working group to develop policy principles or criteria which would ensure that telecommunications services in Canada are provided in a manner consistent with the public interest. The group was further asked to recommend to Ministers terms of reference for any future studies that are required.

Ministers agreed that they should continue to meet annually and that officials should meet in regional groups or when particular issues arise, in order to assist Ministers in their consideration of major policy questions in the communications field. The creation of a repository of regulatory decisions to ensure their adequate dissemination will be explored. Finally, it was thought useful for the the various regulatory tribunal to improve consultation among themselves.

Ministers agreed to meet again in Ontario in about a year's time.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Communiqué

March 29, 1978

Federal

Charlottetown
March 29-30, 1978



COMMUNIQUE

CHARLOTTETOWN, March 29, 1978 -- Federal-provincial co-operation in the communications field has never been as evident as it is now, Minister of Communications Jeanne Sauvé said at the end of a meeting of federal and provincial Communications Ministers here today.

"I regard the meeting as an historic one, since it reaffirms the positive and co-operative approach to the resolution of federal-provincial communications matters which began with the previous meeting last year in Edmonton", Mme. Sauvé said.

"Before 1976, federal-provincial relations in the communications field were contentious at best. I was pleased with the progress we made in Edmonton, but regretted the absence of the Quebec Minister of Communications at that meeting. This time, all provincial governments were represented and there was a considerable degree of consensus on most of the items under discussion."

The Minister said that the meeting was marked by an atmosphere of goodwill and co-operation on the part of all provincial Ministers. "Indeed, because we succeeded in reaching a consensus on so many of the items under discussion, we were able to finish a day earlier than planned."

Mme. Sauvé expressed particular satisfaction that her provincial colleagues strongly supported the new federal communications legislation, introduced as Bill C-24 on January 26, 1978. "Not only did the provinces support the Bill", she said, "but they urged its passage by Parliament as soon as possible."

Discussions on the question of pay-television were extremely valuable, the Minister said, particularly in the light of the recently-published CRTC report. "There was a wide range of views expressed by provincial Ministers on the need for its introduction at this time, and provincial views will constitute an important contribution to the development of a pay-television policy for Canada."

The Minister said that the discussions on the delegation of federal authority over cable were also very productive. There was consensus on a number of issues related to delegation, including consensus that the protection of the Canadian broadcasting system should be an essential feature of any future delegation arrangements.

"The cable television delegation discussion was a general one", the Minister said, "which will be pursued in the months to come as I continue bilateral explorations with the various provincial Ministers." She pointed out, however, that the question remains an extremely complex one, which can ultimately be resolved only through highly detailed and complex negotiations.

CONFERENCE FEDERALE-PROVINCIALE
DES
MINISTRES DES COMMUNICATIONS

Communiqué

1e 29 mars 1978

Fédéral

Charlottetown
les 29 et 30 mars, 1978

COMMUNIQUÉ

CHARLOTTETOWN, le 29 mars 1978 - Jamais, dans le domaine des communications, la collaboration entre le gouvernement provincial et les provinces n'a été aussi manifeste que maintenant, a déclaré le ministre des Communications Jeanne Sauvé à la fin de la conférence fédérale-provinciale que les ministres des Communications ont tenu aujourd'hui à Charlottetown.

Madame Sauvé a ajouté: "Je considère que cette conférence est historique, car elle réaffirme que le gouvernement fédéral et les provinces continuent, lorsqu'il s'agit de résoudre des questions de communications au niveau fédéral-provincial, de faire preuve de l'attitude positive et de franche collaboration qu'ils avaient adoptée l'année dernière à Edmonton".

"Avant 1976, les relations que le gouvernement fédéral et les provinces entretenaient dans le domaine des communications étaient, pour ainsi dire, de nature belliqueuse. J'étais satisfaite des progrès que nous avons accomplis à Edmonton, mais je regrettais que le ministre des Communications du Québec n'ait pas participé à cette conférence. Cette fois-ci, les gouvernements provinciaux étaient tous représentés et l'entente a été considérable sur la plupart des articles à l'étude."

Le ministre a révélé que la conférence s'est déroulée dans une atmosphère de bonne volonté et de collaboration de la part de tous les ministres provinciaux. "En fait, étant donné que nous sommes parvenus à nous entendre sur tant d'articles à l'étude, nous avons pu mettre fin à la conférence une journée plus tôt que prévu."

Madame Sauvé s'est dit particulièrement satisfaite que ses collègues provinciaux aient fortement appuyé le nouveau projet de loi fédéral sur les communications, présenté le 26 janvier 1978 sous le nom de projet de loi C-24. "Les provinces non seulement appuient le projet de loi, a-t-elle déclaré, mais elles réclament en plus que le Parlement l'adopte le plus tôt possible."

Les discussions relatives à la télévision à péage ont été extrêmement profitables, de dire le ministre, surtout à la lumière du rapport que le CRTC a publié récemment. "Les ministres avaient des opinions très partagées sur la nécessité de mettre ce service en marche dans l'immédiat, et ces opinions seront très importantes pour l'élaboration d'une politique canadienne de la télévision à péage."

Le ministre a révélé que les discussions relatives à la délégation par le gouvernement fédéral aux provinces de pouvoirs en matière de câblodiffusion ont aussi été très

fructueuses. Les ministres se sont entendus sur un certain nombre de questions relatives à la délégation de pouvoirs, notamment sur le fait que la protection du réseau canadien de radiodiffusion devrait constituer un élément essentiel de tout accord futur dans ce domaine.

"Nous avons discuté de la délégation de pouvoirs en matière de câblodiffusion de façon générale, d'ajouter Madame Sauvé; nous les poursuivrons d'ailleurs dans les mois à venir, à mesure que je continuerai mes entretiens bilatéraux avec les ministres des diverses provinces." Elle fait toutefois remarquer que cette question demeure d'une complexité extrême et qu'en dernière analyse, on ne pourra la résoudre qu'au moyen de négociations à caractère hautement technique et compliqué.

CONFERENCE FEDERALE-PROVINCIALE
DES
MINISTRES DES COMMUNICATIONS

COMMUNIQUE CONJOINT

Le 29 mars 1978

Charlottetown
les 29 et 30 mars, 1978

Charlottetown, le 29 mars 1978 -- La conférence des ministres fédéral et provinciaux des Communications qui vient de se terminer a permis aux participants d'aborder un certain nombre de questions intéressant les deux paliers de gouvernement, notamment: la loi fédérale sur les télécommunications (projet de loi C-24), la télévision à péage et la délégation par le gouvernement du Canada aux provinces de pouvoirs fédéraux relatifs à la câblodiffusion, la concurrence et des mécanismes de consultation.

Les ministres provinciaux appuient en général le projet de loi C-24 présenté à la Chambre des communes le 26 janvier 1978, et espèrent qu'il sera adopté le plus tôt possible. Pour être plus précis, les provinces jugent important qu'un élément de ce projet de loi établisse une démarcation plus nette des responsabilités entre l'élaboration des politiques et la réglementation des télécommunications. L'honorable Jeanne Sauvé, ministre fédéral des Communications, a déclaré qu'il serait encore possible d'apporter à un tel projet de loi les amendements de la nature de ceux qu'ont proposés les provinces, lorsque viendra le moment propice du processus législatif.

En ce qui concerne la télévision à péage, les ministres diffèrent d'opinion sur la nécessité de mettre en marche ce nouveau service dans l'immédiat; ils ne sont pas d'accord sur la question de compétence en ce domaine.

Certains ministres ont révélé qu'ils élaboreraient et mettraient en application des politiques relatives à la télévision à péage, et il a été dit que le gouvernement fédéral était disposé à préparer, en collaboration avec les provinces, qui le désirent, un projet-type de télévision à péage conforme aux exigences du système canadien de radio et de télédiffusion.

Au sujet de la délégation de pouvoirs en matière de câblodiffusion, on a centré les discussions sur les différentes options et sur les exigences fondamentales qui pourraient servir de base à tout accord éventuel. On estime souhaitable que quels qu'ils soient, les accords auxquels on pourrait parvenir devraient délimiter nettement les responsabilités, éviter toute forme de réglementation à deux paliers et, idéalement, assurer une certaine uniformité dans le processus de réglementation partout au pays. De même, on a généralement reconnu que la protection du réseau canadien de radiodiffusion doit constituer un élément essentiel de tout accord éventuel.

Des négociations bilatérales se poursuivent entre le gouvernement fédéral et diverses provinces au sujet des possibilités de délégation de pouvoirs, y compris l'émission de licences et la réglementation des réseaux de câblodiffusion par les provinces. D'une façon générale, les ministres ont reconnu que plusieurs questions doivent être examinées avant qu'on en vienne à un accord dans le domaine de la délégation des pouvoirs. A cet égard, Madame Sauvé a assuré les provinces qu'elles auraient l'occasion d'examiner tout projet d'accord avant sa mise en application.

Le gouvernement du Québec a déposé une proposition établissant les grandes lignes d'un accord possible concernant la délégation de responsabilités en matière de télécommunications; ce document de travail est calqué sur l'actuelle Loi fédérale sur le transport par véhicule à moteur.

Les ministres ont par la suite engagé une discussion générale sur un certain nombre de questions reliées aux problèmes de la concurrence et de la structure de l'industrie. Un grand nombre de ministres provinciaux des Communications se sont dits gravement inquiets de la demande d'interconnexion du CN/CP qui se trouve actuellement devant le CRTC.

Les ministres ont par ailleurs décidé de créer un groupe de travail chargé d'élaborer les éléments de politique et de définir les principes ou les critères qui permettraient aux services de télécommunication du Canada de répondre aux besoins du public. Dans le cas où une autre étude s'avérerait nécessaire, le groupe de travail soumettra aux ministres une proposition à cet effet.

Les ministres ont convenu qu'ils devraient continuer de se réunir chaque année et que les fonctionnaires devraient se rencontrer en groupes régionaux au besoin, afin d'éclairer les ministres sur les grandes questions de principe reliées au domaine des communications. On étudiera la possibilité de créer un répertoire des décisions de réglementation afin d'assurer qu'elles seront bien diffusées. Enfin, on croit souhaitable pour les tribunaux de réglementation de poursuivre les consultations qu'ils ont entre eux.

Enfin, les ministres ont décidé de se réunir de nouveau l'année prochaine, à peu près à la même époque, en Ontario.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

JOINT COMMUNIQUE

March 29, 1978

Charlottetown
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COMMUNICATIONS MINISTERS

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FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

PAY TELEVISION

Charlottetown
March 29-30, 1978



GOUVERNEMENT
DU QUÉBEC

MINISTÈRE DES
COMMUNICATIONS

PAY TELEVISION

Pay television is an additional service for which subscribers pay, in order to receive special programs on one more channels. It cannot be considered a public service. Québec has always maintained that this is a special kind of television service, like closed-circuit TV which falls under Québec jurisdiction.

In January, 1977, a task force from the Ministère des Communications du Québec undertook a study on the ways and means of setting up a possible pay TV system for Québec. The task force was not required to decide on the expediency of introducing this new method, but rather on what precisely pay TV should be if ever it were introduced in Québec.

At the end of May, 1977, the task force submitted a paper which combined the elements of a policy, and this was to constitute the basis for study

of the problems of pay TV in Québec. Québec's objectives in the field of pay TV were well defined; the promotion and protection of Québec's culture and identity. The paper laid down a number of guidelines, and elements arising from them, and placed pay TV within the general framework of the development of communications within Québec's territory. These guidelines dealt in particular with universal accessibility of a pay TV networks with respect for the principle of competition. In addition to these first three guidelines, others concerned ownership, which should be vested in Québec, the profitability of the undertakings involved, and finally the socio-cultural priorities whose full development the State, as the representative of the Québec community and as the guardian of its French culture, must take all the measures necessary to protect.

Further to this study, the Gouvernement du Québec sought reactions, comments and opinions on pay TV from various groups concerned within the industry, and from certain consumer bodies. In addition, officials of the various provinces discussed our study at a meeting in Québec City and submitted their comments.

Following analysis, study and consultation, the Gouvernement du Québec concluded that a pay TV system in Québec would not be a good thing.

Be that as it may, we are aware of the pressure in favour of the implementation of a pay TV system which would be as free as possible, whose prime concern would be economic viability and profit, and the least of whose worries would be the satisfaction of the real needs of the population as a whole.

Our location on the North American continent, a sometimes overwhelming socio-cultural environment, the possibility of overdependence on outside technology and markets — all these factors compel us immediately to take the first steps toward implementation of a Québec policy on pay TV, even though introduction of this remains undesirable. If, because of our inability to resist pressure from elsewhere, a pilot experiment were to be carried out in Québec, it would have to follow guidelines laid down by Québec and comply with the needs and aspirations of Québec today.

For this reason, I intend soon to submit to the Conseil des ministres a regulation on what pay TV would be in Québec. This regulation will establish, on the one hand, the structures and means of operation of pay TV in accordance with the guidelines which I have described above, and, on the other hand, it will provide for its application by a supervisory body called the Régie des services publics du Québec. The Régie will see to it that the regulation is applied taking account of any special circumstances which might arise.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

COMPETITION

Charlottetown
March 29-30, 1978



GOUVERNEMENT
DU QUÉBEC

MINISTÈRE DES
COMMUNICATIONS

COMPETITION

Competition in telecommunications, as we mean it here, has direct repercussions on the telephone service. For this reason, it must be examined in the light of its effects on a public service.

What is it?

Since the United States, almost ten years ago, permitted competition in matters of terminals joined on to telecommunications networks, as well as in matters of long-distance calls, a similar question has been raised in Canada.

At the outset, of course, we admit that the public service must remain monopolistic and thus not subject to competition. The infrastructure required in order to obtain a telephone service makes it possible, however, to provide a number of other services which are not public services in themselves but which are competitive, such as Telex-TWX, datapac-infoswitch, the transmission of video signals, and so on.

What exists and the questions pending:

Today there is competition on two levels. First, that which is mainly between CNCP and the Transcanadian Telephone System (TCTS) for the competitive, non-monopolistic services which we already mentioned. In the second case, the competition is exercised by various manufacturers and suppliers of terminals directly tied to telecommunications networks, although those terminals are considered to be passive and, consequently, cannot affect the network directly, such as, for example, recording machines.

The pending questions regarding competition are of two kinds. The first deals with the joining of the networks, through which TCTS and CNCP would channel their communications indiscriminately on either network. The second question has to do with the joining of active terminals, those that make possible a direct action on different parts of the network. In this case, competition would enable the user to acquire the telephone of his choice from various sources and to connect it directly to the network.

Québec's stand:

Québec's stand on this subject has always

been closely tied in with its wish to have telephone services of the highest quality possible offered to the citizens of Québec at fair and reasonable rates, the lowest possible rates. As far as this objective is concerned, Québec feels that it is the responsibility of supervisory and control agencies, the Régie des services publics for telecommunications undertakings under Québec jurisdiction, to determine the parameters and elements necessary for achieving it.

With this in mind, we hope to obtain optimal use of available resources in the telecommunications sector and we are of the opinion that the monopolistic services must not be used to finance competitive services. We also believe that the basic telephone service, since it is an essential service, should be cross-subsidized by other services such as the long-distance service and certain categories of sophisticated apparatus, for example.

The CRTC is now hearing the application of CNCP for authorization to join its network to that of Bell Canada. Québec is not in favour of such authorization being granted, as you may well know. We believe that the profits that would accrue to CNCP, particularly where competitive services are concerned, would be earned to the detriment of telephone subscribers. We are thinking of the long-distance service — CNCP would use a greater share of this without having to provide any telephone service to the citizens as such. And, indeed, while quality would not be improved, the telephone service would not be any the less expensive.

Regarding opening up the active terminal market to competition, not only do we feel that the total price the telephone subscriber would then have to pay would be higher than it is today, but we also believe that there is no economic advantage to be gained.

Finally, may I remind you that the cost enquiry is still under way. It is difficult, in fact, to think that it would be logical to extend competition any further while awaiting the findings of this enquiry.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

THE MECHANISMS FOR CONSULTATION

Charlottetown
March 29-30, 1978



GOUVERNEMENT
DU QUÉBEC

MINISTÈRE DES
COMMUNICATIONS

THE MECHANISMS FOR CONSULTATION

The stumbling-block

It should be recalled that the discussions which have been going on between our governments at all levels have all run into the same snag. Of course I am thinking of a clear and precise definition of the role to be played and the responsibilities to be assumed in matters of communications by the federal government and those of the provinces.

Once this difficulty is overcome, we will, I feel, have accomplished much. Québec is ready to talk about this any time. Québec's stand will always be based on its responsibilities, in turn linked to its specific civilization, its language, its culture and its way of life.

What has been done

It must be recognized that up to now, intergovernmental exchanges in matters of communications

have been influenced by circumstances; thus, prior to the first federal-provincial conference in November, 1973, Québec held several meetings with the other provinces; these meetings made it possible for all who attended them -- I am convinced of this -- to understand more clearly their own objectives which, while differing in certain aspects, could still be acceptable and clearly understood within Canada.

There were two (2) federal-provincial conferences and as far as Québec was concerned, the results of these were deceptive. A number of formal and informal discussions was also held at the officials level.

I conclude that these consultations took place when deemed necessary and that seems to me to suffice for the moment.

Other means exist, such as the cooperation, at the communications level, like what prevails between Ontario and Québec for instance.

What is proposed

Our colleague from Newfoundland has submitted a proposal for the setting up of formal committees

at the ministerial, deputy ministerial and officials levels, on a permanent or ad hoc basis. Our colleague also proposes the formation of an association of public utility boards in communications.

Québec's stands

Our objective whenever we meet, at any level, is to discuss subjects of common interest and to put forth certain ideas which can lead to solutions which, although they differ from one case to another, are not incompatible.

Personally, I feel that we need only meet when necessary. I do not feel that officializing the committees would entail a better joint action among us.

As for the regulatory bodies, a Canadian association of members of public utility tribunals (CAMPUT) has been in existence for more than two (2) years. The controllers of Québec's Régie des services publics take an active part in it and are quite satisfied. I do not see why we should consider replacing this body. No one has any complaints about it.

FEDERAL-PROVINCIAL CONFERENCE
OF
COMMUNICATIONS MINISTERS

Pay-Television in Quebec
Guidelines, Points and Recommendations

Government of Quebec
Department of Communications

Charlottetown
March 29-30, 1978

From the outset, the Steering Committee and the Working Group studying pay-television (PTV) attempted to establish a set of principles and points based on these principles to guide them in the preparation of the Quebec model for PTV and in the formulation of the recommendations basic to the Quebec position on the PTV question. These are presented here and are followed by the recommendations concerning the various parts of the model.

Guidelines

Accessibility to the pay-television network

The State must ensure that access to the PTV network is provided to all elements of society within its borders.

Reasonable Use of Infrastructures

The State must ensure that existing communications infrastructures are employed in the development and operation of the PTV service.

Competition

While respecting free enterprise within the economic system, the State must ensure that the activities of private concerns provide maximum benefit to the public.

Ownership

The State must promote the creation and expansion of Quebec businesses, specifically by requiring Quebec-based ownership and management of them.

Feasibility of the System

The State must ensure that the PTV system is planned in accordance with the cost of establishing it, that it produces a profit and that it contributes to the development of the audio-visual production industry in Quebec.

Socio-cultural priorities

As the representative of the people and guardian of their culture, the State must take whatever measures are necessary to protect them and promote their development.

Points

The entire population of Quebec should be given an opportunity to benefit from PTV as an additional source of recreation and culture.

When permissible in terms of technology and cost, the PTV network should provide subscriptions on a per program basis in accordance with mechanisms to ensure the protection and promotion of Quebec culture.

The programming provided for the needs of PTV should be made accessible to all authorized broadcasters.

PTV service should be separate from all other goods or services provided by cable distributors.

Those operating the PTV service for subscribers should use existing and future coaxial cable infrastructures.

The administration and management of the PTV network should be handled exclusively by a central agency.

Products resulting from PTV activities and made and/or assembled in Quebec should be promoted.

The central PTV agency should promote the audio-visual production system in operation in Quebec and should have no production infrastructure.

Regulations should limit access to the PTV market in a given territory to a single broadcaster.

Even if the PTV broadcaster has to use the cable infrastructure, he should not have to be a cable distributor (the cable can be rented to the cable distributor by an authorized broadcaster).

The PTV programming should be such that it does not infringe upon the content of the traditional media.

The channel or channels used for PTV should be free from all advertising.

Except for sports broadcasts, the PTV should present no direct broadcasts.

Authorization for the operation of a PTV enterprise should not be given by the control agency to a newspaper, telephone, telegraph, radio, television, cinema or drive-in theatre operation.

In operating a pay-television system, cable distributors should work through a concern other than the concern by which the cable distribution company is operated and one that is constituted in accordance with the Companies Act of Quebec.

All PTV companies should adhere to the ownership and administration standards established under Section 5* of the regulation on public cable distribution enterprises.

The administrative and managerial costs assessed by the agency to the broadcasters should be proportional to the number of subscriber-customers of the broadcasters.

The agency must provide the broadcaster with consistent programming in exchange for a price proportional to the number of subscriber-clients served by the broadcaster.

[translation] 5* Ownership and administration:

- 1a) A majority of two-thirds of the members of the board of directors of any public cable distribution enterprise must be residents of Quebec;
- b) All members of the management must be residents of Quebec;
- c) In the case of a corporation, the headquarters must be situated in Quebec and the working language must be French;
- d) Except in the case of subsection 1a), the owners by whom a public cable distribution enterprise is administered or controlled must be residents of Quebec.

Part of the revenue earned by the PTV system should be redistributed to the Quebec industry by whatever agency is designated by the competent authorities.

PTV should not be allowed in regions in which the radio, television and cable broadcasting services are not established in conformity with the need of the population.

Where a cable distribution service already exists, PTV must in no way interfere with the order of priorities cable distributors are required to follow with regard to programming or, more specifically, with the activities they are required to pursue with respect to community and local broadcasting.

PTV should promote the creation of employment for local manpower.

PTV should be planned in order to encourage Quebecers to listen to Quebec audio-visual productions.

PTV should be planned to promote all aspects of Quebec audio-visual production.

A minimum and increasing quota for French-language Quebec production should be ensured in the programming.

French-language programming should be given priority.

The vast majority of production, either in the original or by dubbing, should be in the French language.

Non-French-language programming should be distributed in accordance with regional language characteristics.

PTV should not broadcast programs of general public interest which would normally be broadcast on conventional television.

Recommendations

Organizational

PTV should initially be established in the form of a compulsory network for all PTV broadcasters.

The PTV network should be administered by a central agency.

The PTV central agency should be a private, non-profit agency incorporated in accordance with Part 3 of the Companies Act of Quebec and should be given exclusive rights.

The PTV central agency should be the exclusive property of the PTV broadcasters.

The Public Service Board should be the public agency in charge of supervising and monitoring the implementation and development of PTV in accordance with the relevant legislative texts.

Technological

For the purpose of keeping costs to a minimum, a combined (microwave-cable-cassette) system should be adopted for the distribution of broadcasts from the central agency to the broadcasters.

For broadcasting to subscribers, the methods of simple blocking, jamming and frequency conversion should be used in accordance with the size of the broadcasting systems under consideration.

Content

Pay-television programming should be made to adhere as soon as possible to the following quotas:

- . a maximum 60% feature-length films and serials
- . a minimum 20% cultural broadcasts (mainly short films and special audio-visual documentaries).

The programs presented on pay-television should be increasingly French-language and Quebec-based so as to attain a minimum proportion of 50% as soon as possible.

French-speaking Quebec-based programs should be broadcast mainly during prime time.

All programs broadcast on PTV should be made available in the official language of Quebec in the following proportions:

- . 80% minimum in the French language, either original or by dubbing
- . 20% maximum in languages other than French but subtitled in French

All dubbing and subtitling of feature-length and short films should be performed by Quebec companies specialized in these areas, as soon as possible.

Movies must not be broadcast on PTV until they have circulated in cinemas for two years, and neither must films ten or more years old, except in the case of Quebec productions.

The only sports programs broadcast over PTV should be those which are not broadcast over conventional television.

Government
Publications



FEDERAL-PROVINCIAL CONFERENCE OF
MINISTERS OF INDUSTRY

COMMUNIQUE
BY MINISTERS OF TRADE AND INDUSTRY

Ottawa
November 7, 1978

number of agreed positions to their colleagues and to the First Ministers for their meeting on November 27. These relate to the following issues identified by the Second Tier Committee: government regulations, trade and the multilateral trade negotiations, manpower policies and labour relations, taxation, research and development, regional development, public procurement and rationalization.

With regard to the recommendations of the Second Tier Industry-Labour Committee concerning regulatory activity of governments, Industry Ministers note that the Economic Council of Canada has been mandated to study this matter by the First Ministers. In addition, Industry Ministers agreed to recommend to their colleagues and First Ministers that all governments conduct a review of key regulatory activity. They agreed to consider the feasibility of undertaking and making publicly available benefit/cost analyses before implementing major new social regulations. They should take care to ensure that appropriate social benefits are reflected in that analysis. They agreed to consult collectively to remove overlap between levels of government in a manner that is consistent with their respective jurisdictional authority.

With respect to trade, the Ministers have transmitted the Committee's views to Canada's MTN negotiators so they can be taken into full account. The Ministers agreed that, in preparation for the trading environment of the 1980s, certain of the Committee's recommendations should be acted upon as soon as possible. Specifically, greater encouragement should be given to the formation of consortia to facilitate the ability of Canadian firms to capitalize on export opportunities. Particular efforts should be made to draw consortia members from small- and medium-sized businesses and from less developed regions of the country. The Federal Government will also take steps to ensure the expeditious application of safeguard procedures including anti-dumping and countervail procedures.

Ministers noted that the Federal Government had announced certain measures to assist individual workers and firms to adjust to both the opportunities and challenges of the trading environment of the 1980s, including those resulting from the MTN. Other measures concerning specific industrial sectors have been announced over the past year by provincial governments. Others are on the way in several provinces. Ministers agreed that a co-ordinated federal-provincial industrial adjustment policy was required and undertook to participate in the development of such a policy. Ministers also agreed that an advisory committee on export promotion, comprising representatives of the Federal and Provincial Governments and of the private sector, should be established at an early date to

assess government activity to promote exports and to propose possible alternative policies or programs.

Industry Ministers agreed to commend to their Labour Minister colleagues the Committee's recommendations that: training funds be reallocated to provide greater emphasis to job-oriented institutional and on-the-job training including altering wages or training allowances to encourage participation; means be explored to encourage greater private sector participation in, and the funding of, manpower training; the development of labour market policy be assisted by labour and industry with particular use being made of industry-labour task forces to address the requirements of industries where manpower resources are inadequate. These steps should take into account provincial situations. Industry Ministers generally supported these proposals and recommend their consideration by their colleagues and the First Ministers.

The Second Tier Committee urged provincial governments to harmonize labour legislation, training programs and certification practices. Industry Ministers indicated their willingness to participate in an interprovincial task force of Labour and Industry Ministers to prepare proposals for harmonization of labour market practices and legislation for consideration by First Ministers in 1979. Industry Ministers warmly welcomed the Committee's decision to establish a private sector task force to study a wide range of labour relations issues and keenly await their report.

Concerning the tax measures proposed by the Committee, Industry Ministers have forwarded these to Finance Ministers for consideration in forthcoming budgets and have urged that priority be given to measures that would most directly improve the competitive strength of Canadian manufacturing. They agreed with the Committee that the taxes imposed on corporate revenues by different countries are as crucial to the competitive capability of their firms as other cost items and should be viewed in that light.

Industry Ministers concur with the recommendations that a significant increase in the percentage of national resources directed to industrial R&D and the entire innovative process take place in both the public and private sectors. Very substantial increases in R&D in the private sector are required in particular. They noted that the Federal Minister of State for Science and Technology would be meeting the next day with his counterparts from the provinces to discuss industrial R&D in detail and would be submitting a report to First Ministers. Industry Ministers are also examining existing support for industrial R&D and the innovative process.

Industry Ministers agreed to recommend that: an expanded definition of R&D inclusive of the innovative process should be adopted for assistance programs; a special effort needs to be made to assure a higher Canadian share of the R&D activity of foreign-based companies; and there be sufficient minimum life of programs to induce a long-term commitment to R&D activity.

Discussions also encompassed the Second Tier Committee's recommendations on energy. Industry Ministers share the Committee's concern that energy prices be competitive with those in the United States in order not to put Canadian manufacturers at a cost disadvantage. Industry Ministers agreed that transportation policy be devised in a manner supportive of industrial and regional development. Ministers agreed with the Committee that the manufacturing sector has a crucial role to play in alleviating the pattern of regional disparities in Canada.

Concerning the use of public sector procurement for industrial development, Industry Ministers agreed to recommend to First Ministers the establishment of a federal-provincial working group of interested Ministries. The group would assess the potential for co-operation between governments in using procurement practices for industrial and regional development including the potential for governments to standardize and co-ordinate purchasing design and specifications and would take into account any conclusions which might be reached by Science Ministers in their discussions about how procurement can stimulate industrial R&D. This working group would report to Industry Ministers and First Ministers in mid-1979.

Ministers agreed that major new industrial projects being planned should provide growth opportunities specifically for Canadian industry. To this end, they agreed to recommend to their colleagues that a task force of labour, industry and federal and provincial governments be established to consider industrial and regional benefits from major Canadian projects. The task force's recommendations to federal and provincial governments, which would help to guide policy program decisions, would be presented by April 1979.

Industry Ministers discussed the Committee's findings on the question of rationalization. Their view was that the overall economic and taxation environment was the principal influence on rationalization. They also emphasized that rationalization must not take place in a manner detrimental to regional development efforts. They agreed with the Committee that any competition legislation must be designed so as to encourage rationalization while protecting public interest from market abuse. They agreed that facilities are needed to

assist smaller firms to develop joint services and to permit governments to participate in assisting the rationalization process in certain circumstances. Adjustment assistance programs are being studied by both levels of government to assist industries, regions and communities affected by rationalization.

Ministers considered the issue of industrial adjustment in Canada in the 1980s. It was agreed that a co-operative and co-ordinated approach was required to handle anticipated problems, particularly those of a regional nature. Ministers noted that the Federal Government had recently made significant changes in its industrial incentive and manpower programs, and that other changes are in process. Considering that substantial efforts are required, Ministers indicated that they would review the adequacy of these measures and other initiatives that might be implemented.

ministres de l'Industrie ainsi qu'aux Premiers ministres mi-
1979. En vue d'accélérer la mise en application de mesures à
cet égard, les Premiers ministres seront priés d'enjoindre
leurs gouvernements de normaliser et de coordonner les mécanis-
mes et les spécifications d'achats en vue de fournir de nouvelles
possibilités aux fournisseurs canadiens.

Les ministres ont convenu que les principaux projets
industriels prévus devraient fournir des possibilités de
croissance, particulièrement pour l'industrie canadienne.
A cette fin, ils ont convenu qu'un Comité Consultatif du
travail, de l'industrie et des gouvernements fédéral et
provinciaux soit établi pour étudier les bénéfices industriels
pouvant suivre les principaux projets canadiens. Les recom-
mandations de ce Comité aux gouvernements fédéral et pro-
vinciaux, qui aideraient à guider les décisions en matière
de politique et de programmes, seront présentées avant avril
1979.

Les ministres ont considéré le problème de l'adapta-
tion industrielle au Canada dans les années 80 et ont décidé
qu'une action de collaboration coordonnée serait nécessaire
pour résoudre les problèmes anticipés. Les ministres ont
noté que le gouvernement fédéral a récemment effectué des
changements notables dans ses programmes d'encouragement
à l'industrie et que d'autres changements sont en cours.
Les ministres ont indiqué qu'ils vérifieront la pertinence
de ces mesures et celle d'autres initiatives qui pourraient
être prises.

Les ministres de l'Industrie ont discuté des découvertes
du Comité sur la question de la rationalisation. Leurs vues
étaient que l'environnement économique et fiscal était le
facteur principal. Ils ont aussi souligné que la rationali-
sation ne doit pas être mise en oeuvre de manière nuisible
aux efforts de développement régional. Ils ont convenu avec
le Comité que la législation sur la concurrence doit être
conçue de manière à encourager la rationalisation en protégeant
les intérêts du public contre les abus du marché. Ils
sont d'accord sur le fait que des facilités sont nécessaires
pour aider les PME à développer des services conjoints et pour
permettre aux gouvernements de participer à la rationalisation
dans certaines circonstances.

Des programmes d'aide à l'adaptation sont à l'étude
aux deux niveaux de gouvernement pour aider les communautés,
les industries et les régions à se rationaliser.

Les ministres de l'Industrie sont d'accord avec les recommandations voulant que le pourcentage des ressources nationales affectées aux travaux R. et D. soit augmenté et que l'activité résultante soit entreprise dans le secteur privé et public. Ils ont pris note de ce que le ministre d'état à la Science et à la Technologie rencontrera demain ses homologues provinciaux pour discuter en détail la Recherche et le Développement dans l'Industrie et fournira un rapport aux Premiers ministres. Des augmentations importantes sont nécessaires en particulier dans le secteur privé. Les ministres de l'Industrie examinent aussi le soutien dont bénéficient actuellement les travaux R. et D. dans l'Industrie et le processus d'innovation.

Les ministres de l'Industrie sont d'accord sur le fait qu'il faudra entreprendre un processus de développement efficace et novateur en R. et D. en ce qui concerne les programmes d'aide et si l'on veut assurer aux Canadiens une meilleure part dans les activités de R. et D. des compagnies dont le siège est à l'étranger. Il faudra vérifier aussi si la durée d'existence est suffisante pour opérer des changements durables dans la R. et D.

Les discussions ont également porté sur les recommandations du Comité de deuxième palier relativement à l'énergie. Les ministres de l'Industrie sont d'accord avec le Comité pour dire que la politique de fixation des prix de l'énergie ne devrait être compétitive avec celle des Etats-Unis de sorte que les Canadiens ne soient pas désavantagés. En ce qui concerne la politique du transport, les ministres de l'Industrie ont convenu que la politique devrait être conçue de manière à soutenir le développement industriel et régional. Les ministres de l'Industrie ont endossé l'opinion du Comité, c'est-à-dire que l'expansion du secteur manufacturier constitue un facteur vital dans la diminution des disparités régionales au Canada.

En ce qui concerne l'utilisation des services d'achats du secteur public aux fins de l'expansion industrielle, les ministres de l'Industrie ont convenu de recommander aux Premiers ministres l'établissement d'un groupe de travail fédéral-provincial parmi les ministères intéressés. Le groupe évaluera les possibilités de coopération entre les gouvernements concernant l'usage des pratiques d'achat aux fins de l'expansion régionale et industrielle. Le groupe de travail concevrait des mécanismes pour concrétiser cette coopération et de s'assurer que les avantages qui traitent à toutes les régions. Ce groupe de travail présenterait un rapport aux

possibilités d'exportation. On devrait faire un effort particulier pour recruter des membres de consortiums parmi les PME des régions les moins développées du pays. Pour sa part, le gouvernement fédéral prendra des mesures en vue d'assurer l'application expéditive des procédures de sauvegarde, dont les droits anti-dumping et compensatoires.

Les ministres ont noté qu'un ensemble complet de mesures que le gouvernement fédéral avait annoncées pour aider les ouvriers et les firmes à s'adapter tant aux possibilités qu'aux défis de l'ambiance commerciale des années 80, y compris celles qui résulteront des NCM. D'autres mesures concernant des secteurs spécifiques de l'industrie ont été annoncées ces dernières années par les gouvernements provinciaux. D'autres suivront. Les ministres sont d'accords sur le fait que des politiques d'adaptation industrielles sont nécessaires et ont entrepris de participer au développement d'une telle politique. Les ministres ont également convenu qu'un comité consultatif sur la promotion des exportations réunissant des représentants des gouvernements fédéral et provinciaux et du secteur privé devrait être établi bientôt afin d'évaluer les tentatives gouvernementales destinées à promouvoir les exportations et de proposer des solutions éventuelles en fait de politique ou de programmes.

Le Comité du deuxième niveau a prié les gouvernements provinciaux d'harmoniser la législation ouvrière, les programmes de formation et les pratiques de certification. Les ministres de l'industrie ont indiqué leur volonté de participer à l'établissement d'un groupe consultatif inter-provincial afin de formuler des propositions pour l'harmonisation des pratiques et des lois relatives au marché du travail, propositions qui seront examinées par les Premiers ministres en 1979. Les ministres de l'industrie ont accueilli chaleureusement la décision du Comité d'établir un groupe consultatif sur le secteur privé pour étudier une gamme étendue de questions ayant trait aux relations ouvrières et sont impatients de lire son rapport.

Quant aux mesures fiscales proposées par le Comité, les ministres de l'Industrie les ont transmises aux ministres des Finances pour examen lors des budgets à venir et demandent instamment qu'on accorde la priorité aux mesures qui relèveront le plus directement la compétitivité des fabricants canadiens. Ils ont convenu avec le Comité que les impôts sur les revenus des sociétés des autres pays jouent, dans l'aptitude concurrentielle de leurs entreprises, un rôle aussi crucial que les autres frais et qu'ils devraient être perçus en fonction de ce rôle.

Les ministres de l'Industrie ont acclamé les conclusions du Comité selon lesquelles il y a un grand nombre de questions relatives à l'expansion industrielle au Canada pour lesquelles patronat et salariat ont la possibilité de s'entendre. Les ministres furent heureux que le Comité déclare que le processus décisionnel doit demeurer entre les mains des gouvernements et qu'un mécanisme de consultation comme tel ne peut pas partager cette responsabilité. Cependant, pour encourager cela, le Comité considère comme essentielle la mise en permanence d'un processus de consultations sur des problèmes particuliers.

Le Comité de second palier formula un certain nombre de recommandations particulières fondées sur les 23 rapports des Comités consultatifs sectoriels. Ces recommandations font l'objet d'une analyse détaillée et de consultations entre gouvernements, et les ministres de l'Industrie ont donc décidé de transmettre à leurs collègues et aux Premiers ministres, un certain nombre de positions convenus, en prévision de leur réunion du 27 novembre. Ces positions ont trait aux questions suivantes identifiées par le Comité de deuxième niveau: règlements gouvernementaux, négociations commerciales multilatérales, politiques de main-d'oeuvre et de relations ouvrières, fiscalité, recherche et développement, expansion régionale, achats du secteur public et rationalisation.

Au sujet des recommandations du Comité de deuxième niveau, concernant les activités gouvernementales de réglementation, les ministres de l'Industrie notent que le Conseil économique du Canada a reçu des Premiers ministres la mission de conduire une étude sur ce sujet. En outre, les ministres de l'Industrie ont convenu de recommander aux Premiers ministres que tous les gouvernements mènent individuellement un relevé des principaux volets de réglementation, étudient la possibilité d'exécuter et de publier des analyses-coûts (disponibles pour le public) avant la mise en oeuvre des principales nouvelles réglementations sociales, en prenant soin de s'assurer que les analyses tiennent compte des avantages sociaux et se consultent pour supprimer les chevauchements entre les divers niveaux d'administration d'une manière qui cadre avec leur champ de juridiction.

Quant au commerce, les ministres ont transmis les vues du Comité aux négociateurs canadiens, aux NCM afin qu'ils puissent en tenir compte. Les ministres ont convenu qu'en prévision du climat commercial des années 80, il faudrait donner suite le plus tôt possible à certaines des recommandations du Comité. En particulier, il faudrait encourager davantage la formation de consortiums pour permettre aux entreprises canadiennes de saisir plus facilement les

Les ministres ont analysé en détail les recommandations du Comité de second patier de l'exercice de consultation de l'industrie. Ce Comité, regroupant douze représentants de l'industrie, du monde du travail et académique, a examiné les recherches et les recommandations venant des vingt-trois Comités Consultatifs de l'Industrie. Son rapport a été présenté aux ministres de l'Industrie le 23 octobre. Une réponse conjointe aux recommandations du Comité de Second Patier est annexée à ce communiqué.

Les ministres ont exprimé leur souci que le Comité du deuxième niveau se préoccupe suffisamment des problèmes et des possibilités de la PME, dont beaucoup ont été mentionnées dans les études sectorielles. On a convenu que des préoccupations telles que les dettes et le capital action, les désavantages régionaux, les politiques d'approvisionnement, les politiques de concurrence, de la réglementation, de l'impôt et d'autres sujets liés aux PME ont besoin d'une attention particulière à l'avenir. L'élan atteint jusqu'ici dans le lancement des PME ne doit pas être gaspillé.

Le Comité de deuxième patier a déclaré que la recommandation la plus importante issue de la consultation faisait état du besoin d'une politique économique qui accorde une grande priorité à l'expansion économique. Les ministres de l'Industrie se rappelleront que les Premiers ministres ont reconnu ce besoin en février de cette année. Les ministres de l'Industrie pensent que la réaffectation des ressources et l'augmentation du soutien gouvernemental qu'elle représente pour l'industrie, augmentera les possibilités. Ils pensent aussi que les investisseurs et les entrepreneurs devraient en profiter pleinement. Les ministres de l'Industrie sont conscients de ce que leurs gouvernements doivent considérer d'autres initiatives pour améliorer le climat des affaires au Canada afin de fournir ultérieurement un soutien au secteur privé sans augmenter la tendance inflationniste.

Le Comité a remarqué que le secteur manufacturier joue un rôle-clé dans les projets de développement régionaux. Les ministres se sont accordés sur le fait que les objectifs à long terme devraient être l'accroissement de la production des produits manufacturés pour l'exportation et le marché domestique, à cause de leur importance pour l'emploi.

COMMUNIQUE DES MINISTRES

DE L'INDUSTRIE ET DU COMMERCE

Lors de leur rencontre du 7 novembre 1978, les ministres de l'Industrie ont révisé les programmes courants concernant l'industrie à la lumière des nouvelles initiatives prises depuis le mois de février dernier. De plus, ils ont identifié un certain nombre d'autres mesures pour assurer la croissance industrielle et la compétitivité. Les ministres se sont entendus sur quelques problèmes importants touchant l'aspect industriel de notre économie.

Les ministres ont, dans un premier temps, analysé la présente performance et l'avenir du secteur industriel. Il a été acquis, malgré la persistance d'un certain nombre de problèmes fondamentaux, que ce secteur a atteint des résultats encourageants durant l'année passée. Une aide majeure nous a été apportée par les résultats relativement encourageants venant des Etats-Unis. Il a été noté que le secteur manufacturier au cours de la dernière année a démontré une croissance significative en ce qui regarde la production, l'emploi, la valeur des expéditions et les exportations. Les zones où la performance laisse quelque peu à désirer sont l'équilibre commercial, l'investissement et les profits.

Les ministres ont révisé les engagements pris lors de la réunion des Premiers ministres, en février 1978, et ils ont conclu que la réponse gouvernementale à l'égard de ceux-ci a été un facteur positif dans l'amélioration de la performance industrielle. Il a été souligné que les gouvernements provinciaux et fédéral accordent une très grande priorité à la responsabilité fiscale et à la restriction des dépenses. Ceci en conformité avec l'engagement des Premiers ministres de réduire le rôle de l'administration publique pour laisser l'initiative de la croissance économique venir du secteur privé.

Les ministres ont complimenter les comités du premier et du deuxième niveau dont la mise en application des recommandations améliorent l'économie industrielle.

Le ministre fédéral et quelques ministres provinciaux ont basé leur réponses initiales sur les recommandations des comités sectoriels. Les ministres de l'Industrie ont incité leurs sous-ministres à tenir des consultations intergouvernementales avant la fin janvier dans le but de prévoir les mesures à prendre à ce moment-là et de développer un mécanisme efficace pour assurer que le gouvernement s'occupe de toutes les recommandations. Ceci sera suivi par une réunion ministérielle.

CONFÉRENCE FÉDÉRALE-PROVINCIALE
DES MINISTRES DE L'INDUSTRIE

COMMUNIQUE

DES MINISTRES DE L'INDUSTRIE ET DU COMMERCE

Ottawa
1e 7 novembre 1978

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FEDERAL-PROVINCIAL CONFERENCE OF
MINISTERS RESPONSIBLE FOR CRIMINAL JUSTICE

Opening Remarks

Senator Jacques Flynn's Statement

Ottawa, Ontario
October 25-26, 1979

OPENING REMARKS

Senator Flynn's Statement:

I would like to cordially welcome each of you to our Conference today. Mr. Lawrence and I felt that it was important that Ministers responsible for all aspects of the criminal justice system get together -- to share views on common problems, to get on with the business of resolving outstanding items, and to put in place work on priority issues.

I would like to spend a few moments reviewing for you the basic objective that I saw for this meeting.

Too often, it seems, Ministers are required to get on with a long and detailed agenda. Too seldom do we, as a gathering of Ministers, reflect on the state of our area of responsibility and on our collective priorities for work in the coming months and year. It was with this in mind that I suggested to you in August that we pause briefly from our consideration of specific items and assess how our system is faring and discuss the general directions that should be taken.

While we are certainly faced, at this meeting, with a long agenda with many specific items, we do have some time this morning -- and more if we wish -- to discuss our views and priority concerns. I will attempt, in the next few minutes, to explain to you the sense of priorities that I bring to

this meeting. Mr. Lawrence will do the same. It is as important, however, that we hear directly your views, concerns and priorities. I would hope that an open and frank exchange will enable all of us to put into perspective the list of specific issues that must be dealt with this afternoon, tomorrow and in the months to come.

I have taken some time to review the state of the system for which we are jointly responsible and to consider the issues that might warrant our attention. I see some problems - costs are of real concern; services are not provided as effectively and as efficiently as possible; there is some duplication between our two levels of government that must be sorted out; and, the criminal law statutes have become unwieldy and outdated in many of their provisions.

Out of the vast array of issues that face us, many demand our immediate attention -- that is readily apparent from the agenda before us. As well as getting on with the current list of outstanding concerns, however, we must begin to establish priorities for our future work. And that, I believe, should be one goal for our discussions this morning.

What are the issues that deserve our attention on a priority basis?

In my August letter, I raised several matters that I see as being of considerable priority. I will turn to these in more detail shortly.

But what are your concerns?

Are there problems in the operation of our court system that reduce the quality of justice in this country? Must we review our criminal procedure or our allocation of resources to the court system to ensure that delays in justice do not lead to injustice?

Are there disparities in sentencing patterns -- which have and will certainly continue to exist -- that exceed tolerable levels?

Is our system of criminal courts so complicated that the Canadian public see a tangled maze rather than an understandable social institution?

There are only a few of the basic questions that must be dealt with if we are to continually improve the services provided to Canadians. I don't pretend to have answers at this time, but am convinced we must face up to the questions.

For my part, my suggestions are based on the following considerations. First, we do have several outstanding issues;

many have been on the agenda -- but unresolved -- for some time. We must get on with their resolution.

Second, it is my view that the current state of the criminal justice system is such that we have the opportunity to place considerable emphasis on work that may not necessarily yield immediate results but which will have a fundamental impact on the system in years to come. The fact is that when one abstracts from the long list of day-to-day problems and jurisdictional concerns, our system is faring not too badly. I don't believe that we are gathered here with a view of an impending crisis. Rather, we are here today to reflect on our immediate and long term concerns and to determine how we can best allocate our resources to ensure that the system does evolve to meet our future needs.

It seems to me that we should attempt to strike a balance between the need to resolve expeditiously as many of the outstanding issues as we can with the need to anticipate and deal with the longer term requirements of the criminal justice system. On the latter point, I suggested to you in my August letter and publicly in recent statements that the time had come to add personal and political commitment to a fundamental review of the Criminal Code. Such a review will not resolve today's problems by next week. It is a much longer term

exercise, of considerable magnitude and importance, oriented to ensuring that the criminal law statutes in Canada remain in accord with the values and needs of Canadian society. Such a review of our criminal statutes is not a task to be assigned only to Attorneys General and Ministers of Justice. In my view it is a task involving all Ministers responsible for criminal justice matters and that is why it is an appropriate item for this forum.

But there is also progress to be made in the resolution of many of the issues that have been outstanding on the federal-provincial agenda for some years. The Federal Government is committed to a continuation of the exercise of eliminating duplication and overlap in the provision of services by the two orders of government to the Canadian public. In fact, our agenda for this meeting includes both a general discussion of this priority exercise and several items -- split in jurisdiction in corrections and responsibility for criminal prosecutions -- that are being dealt with by our Deputy Ministers in their Steering Committee on Duplications and Overlap. I suggest to you that these discussions should continue and we, as Ministers, should direct the work and request our officials to develop options for our consideration and early resolution. Not only do our First Ministers expect progress in this regard, but the Canadian public deserves clearly defined and efficiently provided services.

Let me return for a moment to the priority matter of undertaking a review of the Criminal Code. Since I raised this proposal publicly at the Canadian Bar Association meeting in August, discussions have been held at the meeting of Provincial Attorneys General and at the Meeting of our Deputy Ministers. The reports and the communiqué from these discussions suggest that we are in full agreement that this is a priority concern and that we should get on with it. Later today we will consider in some detail the process that should be put in place if we are to expedite this task.

Reviewing the criminal statutes is not a new exercise. Indeed, the Law Reform Commission of Canada has been undertaking work in this field for a number of years. Much material is available and their reports and working papers warrant our serious consideration. While it is important to build on this existing work, we must add a renewed commitment to accelerate and expedite the Criminal Code review process.

I feel very keenly the ultimate responsibility to develop and present to Parliament a policy and approach to the modification of our Criminal Code. I am equally aware of the special role that must be played in this review by Provincial Ministers responsible for the administration of criminal justice. You

must be closely involved in the work leading to a new Criminal Code, including the development of the process for the review and the work plan.

We must be prepared to deal with the fundamental questions related to our system of criminal law; the review must not be simply a rewriting and restructuring of the law.

Quoting from one of the Law Reform Commission Reports, from Our Criminal Law:

"What kind of criminal law, then, should we have? What values should it serve to underline? How far should criminal law be used to underline them? In short, what sort of society do we want to live in?"

Let me give you some examples of the types of basic questions that we, as politicians, must be prepared to deal with during this review:

- what role should be played by incarceration as one of the sanctions applied by the criminal law? Do we hope to rehabilitate? Do we hope to deter others from criminal activity?

- have we properly controlled the scope of our criminal law or have we used the statutes to encompass activities that we only wish to regulate, but not make criminal?

While we may have some views in regard to these fundamental questions, it is important that we go further and explore them in depth if we are to ensure that our criminal law evolves to meet the future needs of Canadians.

I would hope, therefore, that we can leave this meeting tomorrow with a mutual commitment to get on with this important task of reviewing the Criminal Code and with a general agreement on the process that must be put in place to complete such a significant undertaking.

As well, I would hope to leave this meeting with a clear understanding and ordering of the other priority tasks that must be dealt with in the coming months. Mr. Lawrence will have some suggestions and I'm sure that each one of you has similar priority lists. We must leave this meeting with a clear and common view of these issues and how they must be dealt with in the coming months.

I would like to make one additional comment about the frequency of meetings of Federal and Provincial Ministers. Although our Deputy Ministers have met quite frequently in the last several years, I would hope there could be more frequent Ministerial involvement in the future. Unless particularly important issues require our attention, annual meetings would seem to be sufficient.

I see this particular meeting as being more a planning session than a regular gathering. In that light, we may wish to commit ourselves at the end of this meeting to meet again -- perhaps in six months -- to clear up more of the outstanding items and to review material on the priority work that is to be put in place.

I am pleased to have had this opportunity to outline for you my views. I look forward to hearing yours.

Now, my colleague, Mr. Lawrence, would like to share his views with us.

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FEDERAL-PROVINCIAL CONFERENCE OF
MINISTERS RESPONSIBLE FOR CRIMINAL JUSTICE

Solicitor General's Opening Statement

Ottawa, Ontario
October 25-26, 1979

Solicitor General's Opening Statement to
Federal/Provincial Conference
October 25, 1979

Thank you Senator Flynn. Just before we start our general discussion, I would like to give my views on two of the principal issues I perceive in criminal justice.

The two themes I think we must focus on are those of effectiveness and accountability in the criminal justice system. In putting these forward, I am not for a moment underplaying the large array of important specific issues we will spend most of our time on in the next two days and others we will have to face in subsequent meetings.

I simply want to stress that, in dealing with these specific issues, we should bear clearly in mind the more general objectives we all share in attempting to fulfill our mandates of protecting the public against crime and criminals, and providing for an effective, efficient and humane criminal justice system.

I would like to deal first with the question of "accountability"-- a term which has several different aspects. What I mean to convey is the whole range of issues flowing from what I see as a general movement to require government to account in a meaningful way for its activities. This movement is exemplified in the broader context of the government's recently announced initiatives on freedom of information and Parliamentary reform. Also in the broader context, I think all of us are

faced with demands for increased financial accountability in the management of government--and this ties in, of course, with the theme I mentioned concerning effectiveness.

But there are many other aspects bearing on criminal justice , specifically, such as political accountability, legal accountability, public accountability and internal accountability. All of these aspects will have to be addressed and all of them affect both orders of government.

As a more specific example, I am sure you will be as glad as I am that a proposal on young offenders--which seems to me to embody the principle of personal responsibility for behaviour--will be tabled in the House this afternoon, with a more detailed version being given to you at the same time.

The general importance of this issue of accountability raises the question of how we should go about addressing it. In reviewing the history of previous federal-provincial meetings in the area of criminal justice, it is clear that the number of law enforcement issues previously not dealt with at all or dealt with bilaterally have become increasingly prominent.

It was because of this that I asked Senator Flynn to mention to you in August the idea of establishing a Ministerial-level forum for discussion of law enforcement issues which would parallel those in the area of corrections and for "Attorney

General" issues not touching on law enforcement per se.

If this idea is favourably received during our discussions later in this meeting, perhaps we could agree to establish such a mechanism with a view to setting up an agenda of issues we must resolve over the next few months and years. I would see this forum as providing an opportunity to examine the important specific issues in law enforcement and accountability.

Let me turn briefly now to the other principal issue I would like to raise--that of effectiveness. Perhaps I could give an example in the area of corrections.

Concerns for making the most effective use of the taxpayer's dollar and for maintaining the credibility of incarceration leave me to wonder if we should jointly be examining the use of imprisonment from the point of view of effectiveness. The growing research knowledge on this point, and the recent trend to provide alternative sanctions, suggest to me that we ought to do so. Most of you are aware of recent capital construction programs proposed at the federal level for penitentiaries. My examination of the latest of those proposals--in light of projections of future penitentiary population, in view of apparent demographic trends which may effect crime rates in the 1980's, and in view of the very promising on-going discussions

with several provinces concerning joint planning of facilities and exchange of service agreements--led me to conclude that the utmost restraint ought to be exercised in deciding to build expensive new institutions.

As a result of all these factors, I have decided that the federal government will not increase its total cell capacity unless there is a clearly established need to do so and there has been thorough consultation with relevant provincial governments to explore alternatives to such construction. I am optimistic that you can support this approach because of the discussions we are having with some provinces on making the best use of resources. I want to let you know that we are willing to engage in similar discussions on a variety of topics with all provinces.

Exchange of services agreements and joint planning of facilities are being considered by the Steering Committee on Duplications and Overlaps, which the federal government strongly supports because of our concern with effectiveness and efficiency. But even if we were to eliminate all the duplications and overlaps which exist in this area, we would be making only a modest start at addressing the issue of criminal justice effectiveness in its larger sense.

For this reason, just as I suggest the establishment of a law enforcement forum to address the many outstanding questions in that area, I would propose that we instruct officials working on the Steering Committee on Duplications and Overlaps to also give attention to the broader question of effectiveness in criminal justice. I am convinced that there are areas in which a relatively small shift in resources on the part of government could have a major pay off in making criminal justice more effective. Perhaps the document that I am circulating which outlines some selected trends in Canadian criminal justice will allow us to identify some of these points of leverage.

If this idea is thought worth pursuing, I would suggest that we instruct our officials to report back to us in the next few months with specific proposals as to the next steps we could take in pursuit of this goal.

I want to conclude now to allow those of you who wish to make statements to do so, and to open up the discussion more generally.

We have a very full agenda. The list of items confronting us is intimidating, and by no means exhausts the array of specific issues we must jointly address in the coming months.

But in proposing that we take a more general look at the state of our system, it is Senator Flynn's and my hope that all of us can together today launch the kind of fundamental examination which will allow us to see those specific issues

within the broader context of the goals we have for the system.

We have a unique opportunity, one which will not present itself again. It is for this reason that I welcome this chance to discuss these issues with you in the coming two days.

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FEDERAL-PROVINCIAL CONFERENCE OF
MINISTERS RESPONSIBLE FOR CRIMINAL JUSTICE

Notes for an address by the Minister of Justice

Quebec

Ottawa, Ontario
October 25-26, 1979

I am pleased finally to have an opportunity to express, in what I feel confident is a receptive forum, the fundamental reasons why in my opinion at the present time there are grave deficiencies in the administration of justice in Canada. It is no exaggeration to say that the administration of justice today suffers from a "two-headed syndrome". The existing distribution of powers under the constitution and a long-standing federal policy of centralization have favoured overlapping and duplication in several areas of the administration of justice. The confusion created by this situation undermines the effectiveness of the services provided, and, in short, compromises the quality of the services the public is entitled to expect.

It is therefore high time for us to concentrate our efforts on finding concrete solutions, as a means of improving effectiveness and bearing in mind that in the last analysis it is the public which bears the cost of duplication at present existing in the administration of justice. In this context, I should like to consider here certain aspects of the administration of justice, namely police services, criminal matters, the judicial system and correctional services.

As regards police services, we feel it is essential to know the place and the role which this government intends to give in the medium and long term

to the RCMP in general police services in Canada. Is the RCMP to maintain units in municipalities, or is its role to be limited to acting as a complement to the provincial police forces? Important consequences flow from the answers given to these questions, with regard to the type of control that should be exercised over members of the RCMP. Clearly, the more a police force is required to increase in size, the more difficult it becomes to ensure proper control. This is amply demonstrated by recent events involving the activities of the RCMP.

So far as we in Quebec are concerned, if the federal government is to continue entering into contracts with certain provinces with regard to the services of the RCMP, we feel that adequate financial compensation should be paid to us in the years to come, in addition to what is owed us for the financial years 1966-67 to 1979-80.

The presence of the RCMP in the provinces presents the problem of control over the conduct of members of the force and the extent of its responsibility toward provincial attorneys general. As the provincial attorney general is responsible for the administration of justice in his province, we believe that the effective administration of justice requires both an agency like a provincial police commission to be in a position to exercise some control over the conduct of the members of all police forces operating in the territory of a province

and the attorney general to be informed of the actions of these police forces on their territory. This is especially true when these actions result in breaches of the law, but also in more general terms when such actions occur in the ordinary course of criminal investigations. In this regard, we feel that the concept of national security, which we consider is often put forward as an impediment to information legitimately required by provincial attorneys general, should be more clearly defined and circumscribed.

In the area of the criminal law, while it is clear that the federal Parliament has power to legislate it is no less clear that the provinces have responsibility for implementation of the Criminal Code and the administration of justice. Accordingly, it is necessary to ensure that legislation in this area takes account of this reality.

To take the right to prosecute as an example, the existing definition of "attorney general" introduced by an amendment to S.2 of the Criminal Code ten years ago, over the vigorous opposition of Quebec and several other provinces, has created an unacceptable duplication. The conflicts of jurisdiction resulting from this definition have not been resolved by recent decisions of the courts on this question, and indeed have worked to the advantage

of the criminals and the detriment of the public. In our view it is clear that as the administration of justice is the responsibility of the provinces, this definition of "attorney general" contained in S.2 of the Criminal Code should be amended to give the right of prosecution solely to attorneys general of the provinces.

The Criminal Code also contains provisions the implementation of which entails considerable consequences for the provinces in purely administrative terms. For example, the insertion in the Criminal Code in June 1977 of the provisions on gun control has meant that a province like Quebec has had to undertake administrative measures of considerable scope and allocate considerable human resources. The same would be true, if they had been proclaimed in Quebec, of provisions allowing the court, in the case of a breach of S.234 of the Criminal Code, to make an order requiring the accused to undergo curative treatment.

In our opinion, provisions such as these, which impose an additional burden on the provinces in terms of the facilities and resources required, should be made part of the Criminal Code only to the extent that they cannot be divorced from the rule of substantive law. Furthermore, if such provisions are truly necessary, we feel that they should never be adopted without having

previously been the subject of serious consultation with the governments of the provinces. Finally, along the same lines but in a more general sense, in view of the impact that criminal legislation has on the administration of justice in the provinces, we feel that the provinces should be closely involved in the revision of the Criminal Code, the need for which is now acknowledged by many.

With respect to the judicial system, I would like to reiterate what I have repeatedly stressed in the past - that the present division between the two levels of government of the power to appoint judges is a serious hindrance to a province like Quebec in its attempt to achieve an effective and coherent way of organizing its courts. Quebec therefore believes that the appointment of superior court judges should be a provincial responsibility. There are a number of reasons for this view, the principal ones being the following.

First, since the Superior Court and the Court of Appeal are provincial tribunals, there is no reason why their members should not be appointed by the provinces. I do not believe that the reasons that may have existed more than a hundred years ago for the federal government to appoint the judges of these courts are still valid today. Moreover, I do not believe that the fear sometimes expressed that the transfer of such power of appointment to the provinces might lead to the creation of a double system of courts in Canada - one to interpret provincial legislation and the other federal legislation - is well-founded. Furthermore, I wish to affirm our desire

to maintain a single system of courts to interpret the provincial and federal legislation.

This power of appointment stipulated in section 96 of the BNA Act created, moreover, a very serious obstacle for the provinces in the area of judicial organization; for example, it is this power of appointment which has always prevented the creation of a unified family court. This power of appointment has likewise kept the provinces from setting up a coherent system of administrative tribunals and above all a coherent system of appeals and judicial controls over these tribunals. This situation seems completely unjustifiable, and all the more so since the federal government, for its part, has full latitude to establish such administrative tribunals and to set up a system of appeals and controls for them. The federal government in fact established such a system by creating the Federal Court in 1971.

Thus, from a strictly practical point of view, considering the needs for specialization which have developed in some sectors, the present situation in the area of administrative tribunals is wholly unacceptable. One need only consider the problems we have in setting up, for example, municipal boards and tribunals to regulate transportation, professions and labour. Furthermore, as I have already mentioned, it is the public that bears the cost of all this. More than a hundred and fifty constitutional cases concerning this famous section 96 have been brought to court in Canada in nearly 100 years.

Finally, provided that the courts retain the power to supervise and control the administration, the provinces should have full legal jurisdiction over the establishment of courts and the appointment of judges - except, of course, where the Federal Court is concerned, subject to amendments to the Act establishing this Court. With regard to the Supreme Court, we stated our position on the matter at the most recent First Ministers' Conference on the Constitution.

With regard to services for adult offenders - probation services, prison services, parole services and assistance following release - there are a number of real problems to which practical solutions must be found, at the risk of jeopardizing the proper administration of justice. First of all, the Prisons and Reformatories Act, (RCS 1970, Ch P-21), whose constitutionality is in many respects questionable, is a source of major difficulties at the administrative level, and may provide criminals with the legal means to thwart the efforts of those who are responsible for managing penal institutions. This Act should therefore be repealed.

Secondly, I would like to reaffirm a Quebec belief which was expressed clearly in June 1977: it is our opinion that the sums paid by taxpayers for the custody, rehabilitation and social reintegration of offenders would be better spent if all of these services came under a single

jurisdiction. Considering the interdependence which exists between the correction services and other major public services - whether they be social, health, educational, recreational or other services under the immediate responsibility of the Quebec government - we believe that all the correction services in Quebec should gradually be placed under the exclusive jurisdiction of the Quebec government, while acknowledging the possibility that the situation may be different in other provinces.

In view of this, we agreed to take charge of all female offenders in Quebec sentenced to penitentiary terms, established the Quebec Parole Board and are accepting increasing numbers of male inmates requiring minimum or medium security into our institutions. It was also in view of this that we asked the federal government to plan, in a concerted fashion and with our cooperation, the construction of penitentiaries to be located in Quebec and even to work with us in the joint construction of institutions in certain parts of Quebec which could meet the needs of both persons awaiting trial and those sentenced to short or long prison terms. This willingness on our part with respect to increased cooperation was greeted in an apparently favourable manner by the previous federal government but produced no concrete results.

Finally, in concluding this brief survey, I would like to mention that in recent discussions on overlapping

and duplication in the area of administration of justice and correctional services, a considerable amount of energy was expended with a view to avoiding further duplication as a result of the very recent federal bills. I feel that the time has come when we are able instead to concentrate our efforts on eliminating past duplication and seeking rational solutions which would likely result in increased efficiency with respect to the administration of justice in the best interests of the population.

October 16, 1979

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FEDERAL-PROVINCIAL CONFERENCE OF
MINISTERS RESPONSIBLE FOR CRIMINAL JUSTICE

Introductory Remarks by
The Honourable Gord Walker, Q.C.
Provincial Secretary for Justice
and
Minister of Correctional Services

Ontario

Ottawa, Ontario
October 25-26, 1979

AS WE WORK OUR WAY THROUGH THE AGENDA, PARTICULARLY THE ITEMS CONCERNING THE CRIMINAL CODE, MIGHT I SUGGEST WE GIVE SPECIAL ATTENTION TO THE NEEDS OF THE VICTIMS OF CRIME.

THE CRIMINAL JUSTICE SYSTEM MAKES THE OFFENDER ITS CENTRE OF ATTENTION. THE RESOURCES OF THE POLICE, THE COURTS, THE LEGAL PROFESSION, THE CORRECTIONAL SYSTEM, THE LAW ITSELF ALL FOCUS INORDINATELY UPON THE OFFENDER'S NEEDS. HIS RIGHTS ARE WELL ARTICULATED AND WELL PROTECTED -- AS THEY SHOULD BE.

BY CONTRAST, THE RIGHTS AND NEEDS OF THE CRIME VICTIM AND HIS FAMILY PALE INTO INSIGNIFICANCE. TOO FREQUENTLY VICTIMS ARE FORGOTTEN BY THE CRIMINAL JUSTICE SYSTEM. FOR THEM, JUSTICE IS OFTEN A BITTER AND COSTLY DISILLUSIONMENT. THAT, I SUGGEST, IS NOT HOW IT SHOULD BE.

WE HAVE BEEN ATTEMPTING TO CORRECT THIS IMBALANCE IN ONTARIO, WITH SOME SUCCESS, THROUGH OUR CRIMINAL INJURIES COMPENSATION BOARD AND OUR NEW CORRECTIONS PROGRAM, BUT WE'RE REALLY

ONLY SCRATCHING THE SURFACE OF AN INEQUITY THAT DESERVES A STRONG AND INTEGRATED EFFORT AMONG ALL JURISDICTIONS. WE CAN, HOWEVER, SHARE WITH YOU OUR RECENT EXPERIENCE AS AN EXAMPLE OF THE POTENTIAL THAT EXISTS FOR ENRICHING THE VERY MEANING OF THE WORD JUSTICE FOR THE VICTIM.

IN A YEAR, ONTARIO'S CRIMINAL JUSTICE SYSTEM PROCESSES AND RESOLVES MORE THAN 300,000 ACTUAL OFFENCES. THESE CRIMES RANGE FROM MURDER, RAPE AND ROBBERY TO PETTY THEFT, LIQUOR OFFENCES AND MUNICIPAL BY-LAW VIOLATIONS.

OF THESE 300,000 OFFENCES, MANY ARE CRIMINAL ACTS IN WHICH THE OFFENDER COULD BE REQUIRED TO MAKE FULL OR PARTIAL REPAYMENT TO HIS VICTIM FOR LOSSES SUFFERED. THIS PRINCIPLE OF DIRECT JUSTICE TO THE INJURED PARTY COULD APPLY TO ROBBERY, BREAKING AND ENTERING, THEFTS AND FRAUDS OF VARIOUS KINDS, AND WILFUL DAMAGE TO PROPERTY. IN FACT, IN A YEAR FIVE OUT OF EVERY ONE HUNDRED PEOPLE IN ONTARIO CAN EXPECT TO BE THE VICTIMS OF THESE CRIMES.

EVEN THE MOST PETTY THEFT CAN BE A TRAUMATIC EXPERIENCE FOR THE VICTIM. FINDING YOUR HOME BURGLARIZED AND RANSACKED CAN CAUSE TREMENDOUS EMOTIONAL STRESS AND FAMILY STRIFE. THE DAMAGE -- THE INJUSTICE OF HAVING TO PUT RIGHT SOMEONE ELSE'S CRIME AT YOUR OWN EXPENSE -- STRIKES HOME LITERALLY FOR THOUSANDS OF FAMILIES EVERY YEAR.

THESE PEOPLE MUST WONDER WHETHER WE, THE MINISTERS RESPONSIBLE FOR PRESERVING AND IMPROVING CANADA'S COMMITMENT TO JUSTICE, EVER GIVE THEM A SECOND THOUGHT.

THERE IS AN IRONY IN THIS IMBALANCE BETWEEN OFFENDER AND VICTIM. THE TAXPAYERS OF ONTARIO, FOR INSTANCE, SPEND CLOSE TO \$500 MILLION A YEAR ON FINANCING THE TOTAL JUSTICE SYSTEM. HARDLY A PENNY OF THIS CAN BE SAID TO BE SPENT ASSISTING THE VICTIM.

YET THE LOSSES MANY OF THESE TAXPAYERS MUST BEAR AS VICTIMS OF THEFT, FRAUD, VANDALISM AND THE LIKE PROBABLY TOTAL HUNDREDS OF MILLIONS OF DOLLARS A YEAR, IF THE TRUE FINANCIAL PENALTY OF VICTIMIZATION COULD EVER BE KNOWN.

ON THE ONE HAND, THE VICTIM PAYS TAXES TO ENSURE HIS OFFENDER RECEIVES A FAIR TRIAL AND PROPER REHABILITATION. ON THE OTHER HAND, HE HIMSELF MUST PAY FOR THE LOSSES THAT PERSON CAUSED,

IT SEEMS TO ME, THEREFORE, THAT WE SHOULD TRY TO TILT THE SCALES OF JUSTICE, PIVOTED AS THEY ARE ON THE CRIMINAL CODE, MORE IN FAVOUR OF CRIME'S VICTIMS.

BUT NOT AT THE EXPENSE OF CITIZENS WHO ARE TAXPAYERS, VICTIMS, OR BOTH. RATHER, THE OFFENDER SHOULD BE REQUIRED WHEREVER POSSIBLE TO PUT RIGHT HIS CRIME TO THE OFFENDER.

THIS OBJECTIVE CAN BE MET AT VARIOUS POINTS IN THE CRIMINAL JUSTICE SYSTEM.

ONE IS SECTION 663(2) OF THE CRIMINAL CODE, WHICH EMPOWERS A JUDGE TO ORDER THE OFFENDER TO (AND I QUOTE) "MAKE RESTITUTION OR REPARATION TO ANY PERSON AGGRIEVED OR INJURED BY THE COMMISSION OF AN OFFENCE FOR THE ACTUAL LOSS OR DAMAGE SUSTAINED BY THAT PERSON".

THAT SECTION HAS BEEN IN THE CRIMINAL CODE SINCE 1954. YET, UNTIL FAIRLY RECENTLY IN ONTARIO'S EXPERIENCE, THEY HAVE BEEN RARELY USED.

EARLIER THIS YEAR, AT THEIR INVITATION, MY SENIOR STAFF AND I MET WITH THE JUDGES OF ONTARIO IN A SERIES OF REGIONAL SEMINARS TO DISCUSS MORE EFFECTIVE WAYS OF REHABILITATING OFFENDERS AND TO BRING GREATER MEANING AND RESPECT TO THE CONCEPT OF JUSTICE. ONE ALTERNATIVE DISCUSSED WAS THE USE OF SECTION 663(2) AS A MEANS OF DIRECT COMPENSATION BY THE OFFENDER TO HIS VICTIM.

DURING THE PAST FEW MONTHS, VICTIM REPAYMENT HAS PRODUCED ENCOURAGING RESULTS AS A SENTENCING ALTERNATIVE. CURRENTLY, MORE THAN 3,100 OFFENDERS IN ONTARIO ARE MAKING REPAYMENT TO THEIR VICTIMS AS A CONDITION OF PROBATION. THAT IS TEN PERCENT OF OUR PROBATION CASE LOAD. UNFORTUNATELY, WE DID NOT TABULATE VICTIM REPAYMENT STATISTICS PRIOR TO THIS SUMMER BECAUSE IT WAS PREVIOUSLY SUCH A RARE CONDITION OF PROBATION. HOWEVER, THE SUBSTANTIALLY INCREASED USE OF SECTION 663(2) IS A CREDIT TO THE BENCH.

SECTION 653(1) OF THE CODE STATES AND I QUOTE:

"A COURT THAT CONVICTS AN ACCUSED OF AN INDICTABLE OFFENCE MAY, UPON THE APPLICATION OF A PERSON AGGRIEVED, AT THE TIME SENTENCE IS IMPOSED, ORDER THE ACCUSED TO PAY TO THAT PERSON AN AMOUNT BY WAY OF SATISFACTION OR COMPENSATION FOR LOSS OF OR DAMAGE TO PROPERTY SUFFERED BY THE APPLICANT". THIS IS ANOTHER RARELY USED SECTION OF THE CODE.

IN 1978, THE FEDERAL GOVERNMENT PROPOSED IN BILL C-51 "THAT A COURT MUST GIVE CONSIDERATION TO ORDERING RESTITUTION TO A VICTIM AT THE TIME OF SENTENCING THE OFFENDER". ALTHOUGH C-51 DIED ON THE ORDER PAPER, I HOPE ITS INTENT WILL NOT BE LOST.

IN MANY CASES, CRIMES ARE COMMITTED AGAINST THE COMMUNITY -- SUCH AS VANDALISM OF SCHOOL PROPERTY OR A COMMUNITY CENTRE. IN THESE INCIDENTS, THE OFFENDER COULD MAKE REPAYMENT TO THE COMMUNITY THROUGH WORTHWHILE SERVICE THAT WOULD NOT OTHERWISE BE DONE.

THIS SENTENCING ALTERNATIVE, WHICH IS NOT SPECIFIED IN THE CRIMINAL CODE, HAS ALSO RECEIVED ENTHUSIASTIC SUPPORT AMONG THE JUDICIARY. SINCE JANUARY, 1973, 13,000 PROBATIONERS IN ONTARIO HAVE PERFORMED COMMUNITY SERVICE ASSIGNMENTS. THEY WORK AN AVERAGE OF 50 HOURS EACH UNDER THE SUPERVISION OF QUALIFIED PRIVATE AGENCIES WHICH LIAISE WITH OUR PROBATION PEOPLE.

AS A FINAL EXAMPLE, ANOTHER APPROACH WE ARE TESTING IS THE VICTIM/OFFENDER RECONCILIATION PROGRAM.

AFTER THE OFFENDER IS CONVICTED -- BUT BEFORE HE IS SENTENCED -- HE IS ENCOURAGED TO MEET HIS VICTIM FACE-TO-FACE AND WORK OUT A MUTUALLY AGREEABLE SETTLEMENT. THIS MIGHT BE FULL OR PARTIAL COMPENSATION FOR THE VICTIM'S LOSSES. IT MIGHT BE UNPAID WORK FOR THE VICTIM IN LIEU OF A CASH SETTLEMENT.

THIS CATHARTIC ENCOUNTER HELPS THE OFFENDER UNDERSTAND THE CONSEQUENCES OF HIS IRRESPONSIBLE ACTIONS TO ANOTHER HUMAN BEING. WE HAVE FOUND THE REHABILITATIVE BENEFITS ARE POWERFUL. IT ALSO HELPS THE VICTIM OVERCOME HIS TRAUMA AND, IN SOME CASES, APPRECIATE HIS CONTRIBUTION TO THE CRIME, SUCH AS LEAVING THE KEYS IN HIS PARKED CAR, OR VIRTUALLY ABANDONING HIS HOME WHILE ON VACATION, WITH THE ACCUMULATING MAIL AND NEWSPAPERS A TELL-TALE INVITATION TO ROBBERY.

NORMALLY, THE JUDGE TAKES THE VICTIM/OFFENDER RECONCILIATION AGREEMENT INTO CONSIDERATION WHEN PASSING SENTENCE. HE HAS MANY CHOICES. COMPLETION OF PROBATION CAN BE CONTINGENT ON REPAYMENT. OR REPAYMENT CAN BE REQUIRED PRIOR TO PAYMENT OF A FINE WITH A JAIL SENTENCE SPECIFIED ON DEFAULT. OR AN OFFENDER CAN BE INCARCERATED WITH A RECOMMENDATION OF VICTIM REPAYMENT. IN THIS SITUATION, WE PUT THE INMATE TO WORK UNDER CONTROLLED CONDITIONS SO THAT HE CAN EARN THE MONEY NEEDED TO COMPENSATE THE VICTIM.

WE BEGAN OUR VICTIM/OFFENDER RECONCILIATION PROGRAM ON A PILOT BASIS IN THREE COMMUNITIES. TO SUCCEED, THE PROGRAM MUST INVOLVE MANY PARTICIPANTS IN THE CRIMINAL JUSTICE SYSTEM -- POLICE, PROSECUTORS, DEFENDER, PROBATION OFFICER, QUALIFIED VOLUNTEERS AND, OF COURSE, THE JUDGE. WE HAVE FOUND THAT PROPER ORGANIZATION DOES NOT SLOW DOWN THE COURTS OR INCREASE WORK LOADS ON THEM, THANKS LARGELY TO THE PRE-SENTENCE INVOLVEMENT OF TRAINED VOLUNTEERS WHO WORK WITH VICTIM AND OFFENDER.

TODAY WE HAVE THESE PROGRAMS OPERATING IN 14 COMMUNITIES. BY THIS TIME NEXT YEAR, WE HOPE TO HAVE THIS FORM OF VICTIM JUSTICE ORGANIZED IN 25 TO 30 COMMUNITIES.

THESE ALTERNATIVES DEMONSTRATE THE FLEXIBILITY AND, INDEED, CREATIVITY WE CAN BUILD INTO OUR CRIMINAL JUSTICE SYSTEM.

THIS CONFERENCE PRESENTS AN IDEAL OPPORTUNITY FOR US TO CONSIDER ENSHRINING THE PRINCIPLE OF VICTIM JUSTICE, AND A MUCH ENRICHED SPECTRUM OF SENTENCING ALTERNATIVES, INTO THE CRIMINAL CODE.

FOR THE OFFENDER, THIS CONCEPT OF VICTIM JUSTICE MAKES HIM FACE THE FACT THAT HIS BEHAVIOUR HAS CAUSED UNNECESSARY HARM AND SUFFERING TO ANOTHER HUMAN BEING. IT HELPS PREVENT HIM FROM PERCEIVING CRIMINAL JUSTICE AS SOME FORM OF IMPERSONAL SYSTEM IN WHICH HE IS AN UNLUCKY PARTICIPANT. IT PLACES THE ONUS ON HIM TO MAKE GOOD HIS CRIME. IT ENCOURAGES HIM TO REFORM AND BECOME A RESPONSIBLE MEMBER OF THE COMMUNITY.

THIS TYPE OF SENTENCING, WHICH INDIVIDUALIZES THE CRIME, ALSO ENABLES THE OFFENDER TO FACE UP TO HIS PERSONAL AND FAMILY RESPONSIBILITIES INSTEAD OF ABANDONING THEM WHILE HE IS IN JAIL.

FOR THE TAXPAYER, THIS CONCEPT OF VICTIM JUSTICE REDUCES THE COST OF HOUSING MANY MINOR OFFENDERS IN JAIL WHEN THEY CAN BE WORKING OFF THEIR MISBEHAVIOUR. SENDING A THIEF TO JAIL COSTS ONTARIO RESIDENTS UP TO \$18,000 PER OFFENDER PER YEAR. THAT IS \$50 A DAY, EVERY DAY OF THE YEAR FOR EVERY OFFENDER.

FOR THE VICTIM, THIS CONCEPT OF VICTIM JUSTICE PROVIDES COMPENSATION FOR LOSSES. IT HELPS ALLEVIATE THE TRAUMA OF THE EXPERIENCE -- AND MOST OF ALL, IT ENSURES THAT JUSTICE IS DONE IN A WAY THAT IT IS NOT DONE NOW.

JUSTICE IS A PROCESS WHICH AMONGST ITS OBJECTIVES MUST AIM TO ACHIEVE A TRUE BALANCE BETWEEN THE RIGHTS OF VICTIMS AND THE NEEDS OF OFFENDERS.

IF WE CAN ENDORSE THIS CONCEPT IN OUR DELIBERATIONS, I BELIEVE WE CAN ELEVATE JUSTICE TO A NEW LEVEL OF MEANING AND RESPECT.

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Government
Publication

COMMUNIQUE

FOR IMMEDIATE RELEASE:

Friday, October 26, 1979

FEDERAL-PROVINCIAL CONFERENCE OF
MINISTERS RESPONSIBLE FOR CRIMINAL JUSTICE

At a meeting of the federal and provincial ministers responsible for justice held in Ottawa on October 25-26, 1979, the following were the principal items discussed.

1. Criminal Code Review

Ministers agreed that a thorough review of the Criminal Code should be undertaken as a matter of priority.

The next step will be an early meeting between deputy ministers and the Law Reform Commission of Canada to develop a plan of action for the review and propose a time schedule for consideration by Ministers when they meet early next spring.

The principle of federal-provincial co-operation was firmly established and it was agreed that the review should encompass both substantive criminal law and criminal procedure.

2. Prosecution of Offences under Federal Statutes Other Than the Criminal Code

The respective powers and responsibilities of federal and provincial crown prosecutors for prosecution of offences under federal statutes other than the Criminal Code is a continuing concern of federal and provincial ministers alike. Recent court decisions have underlined this concern.

These statutes include, for instance, the Narcotics Control Act and the Food and Drugs Act.

Deputy ministers will meet to identify legal and constitutional solutions to this problem and to propose practical administrative arrangements that might lead to a general federal-provincial agreement or a series of bilateral agreements between the federal government and the provinces.

3. R.C.M.P. Accountability

Ministers noted that complex and difficult questions have arisen about the responsibilities and accountability of the R.C.M.P.

These questions include the handling of citizens' complaints against the police, internal disciplinary practices and accountability to the responsible provincial ministers.

Some Ministers expressed concern with the federal suggestion to establish a citizen complaint review process for R.C.M.P. activities, where such a process already exists in the provinces. This would clearly duplicate provincial police commissions or other bodies that currently deal with these problems.

Ministers agreed to review questions concerning accountability during the contract negotiations.

Ministers agreed to set up a Law Enforcement Forum consisting of all federal and provincial ministers having law enforcement responsibilities to consider these and other law enforcement questions on a regular basis.

4. Access to Information under Part IV of the Canadian Human Rights Act

This provision gives an individual access to personal information held in federal government files and data banks, subject to certain exceptions.

A problem can arise where the information held by the federal government has been provided by a province or has been collected by a federal agency on behalf of a province.

One example of the latter is information collected by the R.C.M.P. acting as a provincial police force under contract.

Ministers noted that any consideration of this question must include study of the Freedom of Information Bill now before Parliament, its impact upon Part IV of the Canadian Human Rights Act and its impact upon the problem.

of accurate and timely information and statistics in criminal justice, provincial Attorneys General in 1976 set up a National Task Force to identify, describe and quantify justice services at all levels of government. The Task Force has now issued reports on policing, courts, legal aid, adult corrections, pre-trial services and crown counsel.

In the same period, a national work group consisting of experts from Statistics Canada, the Justice Department and the Ministry of the Solicitor General has been working with the provinces under the guidance of a federal-provincial steering committee to develop systems that will enable statistics to be derived in the most economical way possible.

The Ministers agreed that the National Task Force and the National Work Group should together develop a plan of action for the provision of timely and accurate criminal justice information and statistics.

This work is to be overseen by a small committee of federal and provincial deputy ministers, which the Chief Statistician of Canada will be invited to join.

MEETING OF THE CONTINUING COMMITTEE
OF MINISTERS ON THE CONSTITUTION

PATRIATION AND THE AMENDING FORMULA


Quebec Position



Montreal
8-11 July 1980

Toronto
15-19 July 1980

PATRIATION AND THE AMENDING FORMULA



A number of recent public statements by spokespersons of the federal government, including the Prime Minister of Canada himself, have overdramatized the question of patriating the constitution, to the point where many citizens are beginning to wonder whether patriation is not being made into the preliminary step in any renewal of the existing political arrangement, or its essential precondition. If this is indeed what is being said, then Quebec is of the opinion that it is a wrong approach and that there is a risk of the constitutional review now underway reaching an impasse.

The Quebec perspective

The idea of finally breaking with a tie linking Canada to its colonial past certainly has symbolic value for Quebecers. If Quebec has up until now expressed serious reservations on the subject of patriation, it is certainly not from a desire to maintain a state of colonial subordination. Quebecers have always insisted -- much more strongly than English Canadians -- that Canada should have its own flag and its own national anthem. It would be preposterous for them to now insist that the constitution should remain an Act of the British Parliament. Quebec's reservations on patriation stem from quite different motives.

To begin with, it is worth pointing out two logical inconsistencies in any approach which holds that the immediate patriation of the constitution is a priority in the renewal of the existing political arrangement. First, we are told that patriation would do away with the last link with Canada's colonial past, but if this is the case, then why is so much care being taken to preserve the queen of the United Kingdom as the queen of Canada? Second, the

current round of negotiations is in theory intended to result in a new Canadian constitution; if this is so, then why is it thought that one of the very first steps to take must be that of formally making the old constitution official?

If the aim really is to work out a new constitution free of colonial ties, it does not appear to Quebec to be particularly appropriate to begin by making a priority of patriating an ancient document which everyone agrees is politically and institutionally outdated: if it were not, there would be no point to the current negotiations.

Serious misgivings

But Quebec's more serious reasons for misgivings pertain to the circumstances and conditions of any premature patriation of the constitution.

1. For Quebeckers, a constitution is a sort of contract containing a number of clauses. Before passing judgment on the contract as a whole, they want at least to know the main clauses and they want negotiations concerning these clauses. The 1867 constitution and its subsequent amendments include several important clauses the terms of which Quebec wants to renegotiate. Some of the clauses in question fall under the twelve points on the current agenda; many more will not be considered during the present round of negotiations, but will have to be considered later. Patriating the constitution now or in the immediate future amounts to asking Quebeckers to accept as a valid basis of discussion the very document which they have been wanting for years to replace with a new, more modern one. Such an approach

takes for granted that Quebecers will be satisfied with minor alterations to federalism as it now exists, when what most of them want is a new federalism.

2. Next it must be said that the importance Ottawa is giving to patriation, and the way federal spokespersons have sought to give it symbolic value, are making Quebecers uneasy about the future of constitutional negotiations. The emphasis Ottawa is putting on "Operation Patriation" has led an important section of English-Canadian opinion to believe that patriation is, in itself, a major change in the existing political arrangement. With all the ballyhoo going around about patriation, it could, once accomplished, provide an excuse to slow down the pace of further negotiations, because a large sector of the population of Canada will believe that the country's political problem has largely been resolved. Quebec is therefore of the opinion that since patriation could put a brake on the changes of substance it has always wanted to see, patriation should take place after these changes of substance have been made.
3. Many of the governments hold the view that patriation cannot be carried out unless accompanied by an amending formula. Otherwise, they say, constitutional amendment would be extremely difficult because the current rule of unanimity would continue to apply. One can therefore expect that patriation will not happen without an amending formula. However Quebec is of the opinion that before either patriation occurs or an amending formula is brought in, an overall agreement should be reached that could satisfy Quebec, even if it were not complete. The present round of negotiations, and a further round that could take place later, constitute an excellent opportunity to arrive at such a "package deal" taking in at one and the same time many of Quebecers'

traditional aspirations and demands. Patriation and adoption of an amending formula in the near future would mean that those of Quebec's demands not on the current list of twelve items would be considered under the amending formula and would thus be dealt with one at a time. Once the continuation of constitutional negotiations became subject to an amending formula, they would lose the sense of urgency they now have and would be a matter of only occasional concern. Quebec could not hope for changes except when such changes were of equal concern to Ottawa and the rest of Canada. Once a measure of constitutional "inertia" develops outside Quebec, Quebec's hopes could well be frustrated, for it might be the only party calling for amendments while the others remain indifferent.

4. If the patriation and amending formula processes are carried out too hastily, without sufficient reflection on basic principles there might not be time to work out -- without danger of misunderstanding -- all aspects of the sort of political arrangement that is suitable for Canada, Quebec and the other provinces.
5. In light of the above, Quebec feels it to be more evident than ever that any unilateral action by Ottawa regarding patriation should be ruled out. Such action would itself change the nature of federalism and the form of relations between Ottawa and the provinces, with the latter becoming entities considered inferior by the central government.

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POWERS OVER THE ECONOMY:
OPTIONS SUBMITTED FOR CONSIDERATION BY
THE GOVERNMENT OF CANADA
TO SAFEGUARD THE CANADIAN ECONOMIC UNION
IN THE CONSTITUTION

In a Discussion Paper submitted to the Continuing Committee of Ministers on the Constitution on July 9, 1980⁽¹⁾, the Government of Canada outlined three techniques which could be used to safeguard the Canadian economic union in the Constitution:

- (i) entrenching the mobility rights of citizens in the proposed Charter of Rights;
- (ii) subjecting the exercise of legislative and executive powers to the provisions of a revised Section 121 of the B.N.A. Act;
- (iii) clarifying and, to a limited extent, broadening the federal trade and commerce power.

-- Federal proposals regarding mobility rights of citizens are contained in Section 8 of the proposed Canadian Charter of Rights and Freedoms tabled on July 10, 1980. A copy of that section is attached. Legislative drafts tabled today, and also attached, outline a manner in which the other two techniques might be implemented.

A New Section 121

The existing Section 121 of the B.N.A. Act prohibits only the imposition of border taxes (e.g., customs duties) within Canada. Therefore, it establishes only a customs union and does not constitute an adequate foundation for the Canadian economic union.

The new draft submitted for consideration by the federal government would secure in the Constitution an essential operating principle for economic union, namely the principle of non-discrimination in law or practice on the basis of the province of residence of persons, and the province of origin or destination of goods, services and capital. The draft would apply to both orders of government, not only to the provinces.

The new Section 121 would not seek to prohibit all possible impediments to economic mobility, since the federal government recognizes that the Canadian Federation has other goals -- political, social, cultural, as well as economic -- the pursuit of which must not be restricted by too sweeping provisions regarding economic mobility. Accordingly, the suggested legislative text would provide for exceptions, so that the principle of non-discrimination would be applied in a flexible manner.

(1) Powers Over the Economy: Securing the Canadian Economic Union in the Constitution, July 9, 1980, CCMC Document 830-81/036.

Thus, the new provisions would not prevent affirmative action programs, regional development policies, industrial incentives, income redistribution, etc. For example, it would be absurd that the Constitution should prevent the federal government from introducing measures such as the National Oil Policy put in place in the early 1960's, to facilitate the development of Western Canada's oil resources while allowing Quebec and the Atlantic provinces to obtain lower priced oil from foreign sources. Similarly, provincial governments should not be prevented from implementing differentiated policies and programs to meet the special needs of various areas and communities within a province.

The Trade and Commerce Power

In general terms, the federal trade and commerce power has been interpreted as applying only to international and interprovincial movement of goods. It is not certain to what extent it applies to services and capital. The suggested draft of Section 91(2) of the B.N.A. Act annexed to this document and submitted for consideration would make clear that the federal trade and commerce power does apply to such matters. The draft would also provide for the regulation of competition and product standards throughout Canada to the extent reasonably necessary for the operation of the Canadian economic union.

The Government of Canada is not wedded to the particular options it has advanced for safeguarding the Canadian economic union in the Constitution and is prepared to consider other options which may be put forward. But it is convinced that the constitutional safeguarding of the Canadian economic union must be achieved.

ANNEXES

- A. Extract from Canadian Charter of Rights and Freedoms
- B. Discussion Draft of Revised Section 121
- C. Discussion Draft of Revised Section 91 2 and New 91 2.1
- D. Explanatory Notes

MOBILITY RIGHTS

Rights of
citizens

8. (1) Every citizen of Canada has the right to enter, remain in and leave Canada.

Rights of
citizens and
persons
lawfully
admitted for
permanent
residence

(2) Every citizen of Canada and every person who has been lawfully admitted to Canada for permanent residence and has not lost the status of a permanent resident has the right

(a) to move to and take up residence in any province or territory, and

(b) to acquire and hold property in, and to pursue the gaining of a livelihood in, any province or territory,

subject to any laws of general application in force in that province or territory other than any such laws that discriminate among persons to whom this provision applies primarily on the basis of province or territory of present or previous residence or domicile.

Justifiable
limitations

(3) The rights declared by this section may be made subject only to such limitations prescribed by law as are reasonably justifiable in a free and democratic society in the interests of national security, public safety, order, health or morals.

DRAFT

FOR DISCUSSION PURPOSES ONLY

July 16, 1980

Canadian
economic
union

121. (1) Neither Canada nor a province shall by law or practice discriminate in a manner that unduly impedes the operation of the Canadian economic union, directly or indirectly, on the basis of the province or territory of residence or former residence of a person, on the basis of the province or territory of origin or destination of goods, services or capital or on the basis of the province or territory into which or from which goods, services or capital are imported or exported.

Derogation

(2) Nothing in subsection 1) renders invalid a law of Parliament or of a legislature enacted in the interests of public safety, order, health or morals.

Idem

(3) Nothing in subsection 1) renders invalid a law of Parliament enacted pursuant to the principles of equalization and regional development to which Parliament and the legislatures are committed or declared by Parliament to be in an overriding national interest or enacted pursuant to an international obligation undertaken by Canada.

Customs
union

(4) Nothing in subsection 2) or (3) renders valid a law of Parliament or a legislature that impedes the admission free into any province of goods, services or capital originating in or imported into any other province or territory.

FOR DISCUSSION PURPOSES ONLY

July 16, 1980

91. 2. The regulation of trade
and commerce in goods, services and
capital.

2.1. The regulation of
competition throughout Canada and the
establishment of product standards
applicable throughout Canada where such
regulation or such standards are
reasonably necessary for the operation
of the Canadian economic union.

July 16, 1980

Explanatory Notes

Section 121

Section 121 of the British North America Act, 1867 provides:

"All Articles of the Growth, Produce, or Manufacture of any one of the Provinces shall, from and after the Union, be admitted free into each of the other Provinces."

This section only applies to the interprovincial movement of goods, and only those originating in a province of Canada. It is not clear that it prohibits barriers other than interprovincial customs duties.

The new subsection 121 (1) would expand this section to prevent federal and provincial governments creating barriers to interprovincial trade either by law or through discriminatory practices. Discrimination would be clearly prevented not only with respect to the movement of goods but also with respect to the provision of services and with respect to the investment, transfer or disposition of capital. It would also cover barriers other than tariff barriers, if they would "unduly" impede movement. (That is, measures that might have minor effects on free movement would not be prevented.)

Subsection (2) allows both Parliament and the provincial legislatures to enact legislation restricting free movement where such legislation is required for purposes of public safety, public order, public health or public morals. Such restrictions to be valid would have to be imposed by statute and not merely be effected through administrative practices.

Subsection (3) allows Parliament to enact legislation restricting free movement where required to serve regional development purposes including the making of equalization payments or in order to fulfill an international obligation. In addition, Parliament can restrict free movement where it determines this to be necessary to serve an overriding national interest, but it would have to state expressly in its legislation the interest being served.

Subsection (4) provides that derogations may not create customs barriers at provincial borders. This preserves the present prohibition in section 121 against interprovincial customs barriers with respect to goods and ensures that it applies to services and capital as well.

Section 91

Section 91 of the British North America Act, 1867 provides:

"It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces; and for greater Certainty, but not so as to restrict the Generality of the foregoing Terms of this Section, it is hereby declared that (notwithstanding anything in this Act) the exclusive Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects next herein-after enumerated; that is to say,-

....

2. The Regulation of Trade and Commerce"

The new head of federal power 91 2 would make it completely clear that federal jurisdiction over trade and commerce includes the regulation of services and capital as well as of physical commodities.

The new head 2.1 is designed to remedy two specific gaps in existing federal authority over trade and commerce. This provision would make it clear that Parliament can legislate to regulate competition and it would enable Parliament to regulate product standards to the extent necessary for the operation of the Canadian economic union. While Parliament regulates competition now, it does so through the exercise of its jurisdiction over criminal law. The amended section would give Parliament direct authority in this regard. Two recent decisions of the Supreme Court of Canada have brought into serious question the authority of Parliament to establish minimum food standards applicable to products sold across the country, particularly with respect to that portion of such products sold in the province of production. The proposed amendment would clarify Parliament's authority with respect to products standards generally where some of the product is sold outside the province of production.

POWERS OVER THE ECONOMY:

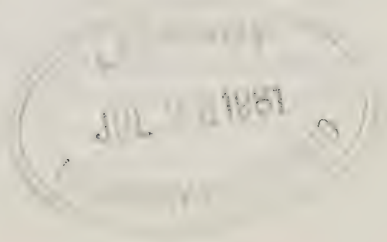
SECURING THE CANADIAN ECONOMIC
UNION IN THE CONSTITUTION

DISCUSSION PAPER SUBMITTED BY
THE GOVERNMENT OF SASKATCHEWAN

Continuing Committee of Ministers
on the Constitution

Vancouver, B.C.

July 22-25, 1980



POWERS OVER THE ECONOMY:

SECURING THE CANADIAN ECONOMIC UNION IN THE CONSTITUTION

1. INTRODUCTION

Our objectives with this document are:

- to review briefly the "economic union" problem and solution as suggested by the Federal Government;
- to outline our general concerns with the approach being suggested by the Federal Government; and,
- to suggest, in a bare bones way, another more positive route which would be founded on a real belief in co-operative federalism rather than placing our economic future in the hands of either an "umpire" --- the courts --- or the federal government.

2. THE FEDERAL VIEW

Essentially, the Federal Government is suggesting that we must introduce constitutional safeguards for the economic union by barring "undue impediments" to the free interprovincial movement of persons, goods, services and capital.

Such an approach, it is argued, will not only assure basic equality to all citizens, but will result in greater economic efficiency and, therefore, the country as a whole will be richer, more able to assist disadvantaged people and regions, and more able to compete in the international market place.

The federal proposition is not, however, a naive free-trade thesis insensitive to the realities of Canadian federalism and social objectives, as seen through their eyes.

Indeed, the realities are stated rather well on p.25 of the discussion paper (830-81/036) as follows:

"...provisions to secure the Canadian economic union will have to allow governments to pursue other social and economic goals, such as redistribution of income and wealth among citizens and the fostering of economic development in lagging areas of the country."

and continuing in the next paragraph:

"...provincial legislation and regulations must be capable of variation from province to province, and such variation will inevitably cause some impediments to economic mobility; but these must be kept within the bounds of necessity."

The federal proposal then makes a major leap to assert that there must be significant safeguards secured constitutionally to prohibit discriminatory actions against persons, goods, services, and capital on a provincial basis. As well, federal regulatory powers would be enlarged so as to deal with other unwarranted obstacles to economic mobility within Canada. Only as a third approach does the federal government suggest co-operative arrangements among governments.

This federal view has led to the presentation of suggested wording for Section 8 of a proposed Charter of Rights and for new sections 121, 91(2) and (2.1) of the B.N.A. Act.

3. CONCERNS WITH THE FEDERAL VIEW

There is little need to debate many of the facts presented by the federal discussion paper. There is no doubt that barriers to mobility of factors of production and goods do exist in Canada and that all orders of government --- as well as many other institutions --- contribute to this situation. It is also likely that our economic efficiency could be improved with the removal of some of the barriers.

But, and this point is made clearly by the federal government, the bulk of the impediments are purposefully created by both orders of government in the pursuit of other social and economic objectives that are seen by political leaders to have a higher priority. They are, quite simply, considered acts by responsible governments --- the essence of our democratic system.

The flaws in the federal view, as we see them, are less in the presentation of facts, than in the sense of crisis adopted, in the lack of faith in the Canadian political system, and in the suggestion that political leaders should relinquish to the judicial system their responsibilities for maintaining the economic union.

Perhaps a more detailed review of various concerns would be the best approach at this point:

a) A Crisis? Apparently Not.

The need for constitutional safeguards against barriers to mobility has been expressed in language --- "a priority"; "a sense of urgency"; "critical" --- suggesting a crisis is developing.

The details of the proposed changes have come to us very late in the process of constitutional review. As well, there has not been, to our knowledge, an agenda item for Finance or First Ministers entitled "barriers to mobility" or "the economic union".

We seem to have a child growing to full adulthood in weeks rather than years.

Inconsistently, the federal government has also stated that while there are some present problems its real anxieties relate to potential provincial discriminatory actions.

b) Extent of Effort to Improve Mobility

We have not been able to establish the extent to which section 121 in particular would invalidate provincial laws and regulations.

On the one hand, we are assured that "the new provisions would not prevent affirmative action programs, regional development policies, industrial incentives, income redistribution, etc."

Conversely, however, the federal discussion paper on pages 19 to 21 lines up for potential rehabilitation an awesome array of provincial government initiatives including, for example:

- subsidies and tax incentives to producers;
- provincial monopolies; and,
- labour standards.

If indeed the objective of the federal proposal is to improve mobility within Canada, then one must consider the total impact of numerous institutions and practices in Canada and not simply the explicit barriers.

Surely the levels of corporate, personal and other taxes in any province have a far greater impact on the mobility of resources than some of the barriers such as purchasing policy that are apparently under attack.

Surely, the national tariff and transportation policies have an immeasurably greater impact on relative prices, rates of return and ultimately the location choice for capital and labour.

We see the federal aim being taken at the explicit barriers that obviously impede movements among the provinces. The "big" economic levers such as tax rates, tariff and transportation policies, would not be brought into question. But, these major economic levers are precisely the forces having the greatest impact on the mobility of resources and products in Canada. And, the richest provinces have the greatest capacity to use such instruments to attract business away from other provinces. The only defence available to a small province may be to take action which creates barriers to protect their competitive position within the economic union --- and these would be struck down instantly by the proposed section 121.

The only obvious safeguard is to maintain a continuing sense of co-operation in Canada. Providing "safeguards" against some explicit barriers only changes the rules of the game --- in favour of some --- but it does little to safeguard the economic union.

c) The Role of the Judiciary

Under the federal proposal, much of the responsibility for managing the economy would be relinquished to the judiciary:

- the judgement on whether any law or practice discriminates in a manner "that unduly impedes the operation of the Canadian economic union" would be taken in the courts;
- the judgement on whether "such regulation or such standards are reasonably necessary for the operation of the Canadian economic union" would be taken in the courts.

These are matters of economic judgement (often involving policies of two responsible governments), an area with which the courts are ill-equipped to deal.

It is our view that it would be irresponsible of Canadian governments to relinquish the responsibility for these difficult, various and changing economic decisions.

Responsible governments working co-operatively must accept the problems related to the economic union. It is unacceptable for these problems to be turned over to the judiciary.

d) Provincial Development

The implication that the federal government has sole responsibility for regional development is totally unacceptable. The draft section 121(3) would enable only Parliament and not the legislatures to introduce laws and practices based on regional development objectives.

Provincial governments must accept the responsibility for providing economic opportunity to Canadians residing in the province. This will involve policies pertaining to the entire province as well as to groups within the province.

Some provincial development policies are explicitly discriminatory, e.g., purchasing policies or labour residency requirements. Others such as low tax rates, subsidies, venture capital schemes and the like are less blatant but no less oriented to improving the relative position of the province within the Canadian economic union.

Provincial responsibilities will not have changed but the instruments of economic policy available to provinces will have been significantly reduced. Greater use of available approaches, less likely to be overturned by 121, will be made. Perhaps the only certain result is that the federal and provincial governments would develop squads of highly paid bureaucrats adept at "getting around the courts".

It is by no means certain that federal policies related to regional development are particularly effective. Provincial initiatives to take full advantage of growth opportunities can be effective complements to the policy of "helping the lagging regions". Taking full advantage of the tremendous economic potential of the western provinces may be the most powerful means of assisting Canada's lagging regions. Provinces, not the federal government, are likely to be active in such developments and excluding them from such regional development activities may be detrimental to the economic union.

Imperfections in our economic union ought to be dealt with by responsible governments in the conference room, not by lawyers and judges in the court room.

4. ANOTHER OPTION

In its discussion paper, on page 25, the Federal government noted the following:

"Prescriptions which would be too detailed would run the risk of being circumvented, or of preventing governments from adapting their laws and regulations to changing circumstances...".

It is our view that the federal prescriptions have gone far beyond the level of detail and specificity that is acceptable.

But, we do not deny the importance of avoiding unnecessary impediments to mobility that reduce our economic efficiency.

Nor do we deny the need to implement "safety" systems that focus on squeezing such unnecessary barriers out of the system.

The Canadian Constitution should not contain the rules that govern the extremely complicated trade-offs between oft-times conflicting economic objectives of responsible governments.

Doing so would require political leaders to relinquish much of their authority to the courts --- an entirely unacceptable change in our concept of responsible government.

The Government of Saskatchewan would prefer to see more faith in the co-operative spirit of responsible governments working towards a mutually acceptable economic union given the problems of the day.

Certainly there will be conflicts and trade-offs. Certainly barriers to mobility will exist that are not seen to be useful by all jurisdictions.

But responsible governments working with the on-going objective of improving the economic union can and should make these trade-offs and resolve the conflicts. Such economic decisions should not be made in the hushed-chambers of the Canadian Courts.

We would see as preferable an option that places in the constitution a statement of commitment by the federal government and the provincial governments to the effective operation of the economic union. Such an approach could be similar to the one being considered for equalization.

This commitment could include a reference to an on-going review by federal and provincial Ministers to ensure that government policies are harmonized to enhance our economic union. Such an approach could deal not only with the explicit barriers to mobility, on which the federal approach concentrates, but also with governmental spending, taxation and structural policies that serve to influence the mobility of resources in our federation.

How, you might ask, will such a co-operative approach resolve real differences of opinion among governments?

The question, of course, includes the answer. Only by working co-operatively towards harmonized programs and policies can governments minimize unnecessary barriers to mobility while still achieving various, and sometimes conflicting, social and economic objectives.

The alternative, the federal approach, would delegate much of the authority to the courts and would lead to an attitude of "how can we get around the law" rather than facing up to the need to co-operate.

The assumption in the federal approach seems to be that provinces are (or more correctly, will become) extremely naive and fail to recognize the costs related to a destructive competition among provinces for development. It is admitted in the federal discussion paper "that enlightened self-interest has largely prevailed so far". We see no reason why "enlightened self-interest" will not prevail in the future.

In brief, we must commit ourselves to the concept of continually reviewing our economic union. We must, however, have faith in the co-operative spirit of present and future governments. Responsible governments cannot relinquish to the courts their job of managing the economic union.

ECONOMIC UNION IN THE CANADIAN FEDERATION:

Government
Publications

A POSITIVE APPROACH

Statement by

The Honourable Roy Romanow

on behalf of

The Government of Saskatchewan

Continuing Committee of Ministers of the Constitution

July 23, 1980

Last week I stated, with some vigour, our opposition to the Government of Canada's proposed amendments on powers over the economy. I proposed that they be set aside. Mr. Chretien and some other ministers did not agree. We have made little progress since toward a resolution of this issue.

We are, I think it's fair to say, at an impasse.

My conviction that the Canadian government's proposal is not the appropriate way to protect the economic union in a federal state remains unshaken. As I said last week, it would place unacceptable limitations on the capacity of a province to pursue its legitimate role in managing the provincial economy. And it would add to those limitations the uncertainty of placing in the hands of the courts critical economic decisions.

All that I have said before.

But I have also said, in my role as co-chairman, that I believe we have reached a critical point in our deliberations -- that the course ahead will be very rocky indeed if we don't achieve some movement this week.

In the interests of arriving at an accommodation, we need to take the initiative -- to make a major move.

Mr. Chretien has said that what he wants is a commitment to economic union in Canada. We are prepared to give him that commitment -- and to enshrine it in the constitution.

I now table a draft of a possible constitutional provision which Saskatchewan can support. With it I table a background paper.

The spirit of our proposal is, we feel, grounded in the reality of the federal state which is Canada. It does not depend on the negative instrument of constitutional prohibitions. It depends rather on the positive, co-operative commitment of responsible governments, each sovereign in

economic union. It depends on the time-tested success of the Canadian experience: co-operative federalism and enlightened self-interest.

Our proposal, as you will see from the draft, is brief and direct. It would entrench in the Constitution a clear commitment on the part of all governments to maintain and perfect the Canadian economic union. The commitment extends to an on-going review and assessment of the performance of the union and a resolution of problems.

I would note that the approach we have taken here closely parallels the approach taken with respect to the equalization issue. That proposal has won wide acceptance around this table.

I hope this proposal will also win acceptance. Mr. Chretien has said he is not wedded to his specific proposals and has called for alternative suggestions. We are responding. We believe this proposed compromise meets his adamant demand for including a commitment to economic union. We believe it also goes some distance toward meeting the concerns of many provincial governments -- including ours -- that the implications of the Government of Canada proposal are unacceptable.

With this step I ask that the Government of Canada now remove its insistence that powers over the

economy be linked to the issue of resources. I also ask for a serious commitment by the federal government to return to the "best efforts" draft on resources. We are committed to Canada, as I believe are the vast majority of Canadians, in every province and territory. Let us as governments get on with the job of demonstrating that commitment.

certain areas -- each with a contribution to make to our

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DOCUMENT: 830-83/006

(Secretariat translation)

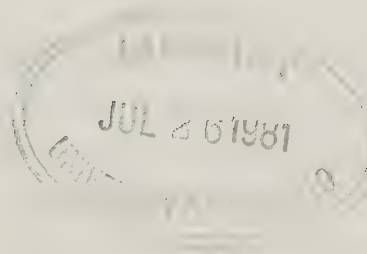
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COMMENTS OF QUEBEC

ON

FEDERAL POSITIONS REGARDING

POWERS OVER THE ECONOMY



VANCOUVER

July 22-24, 1980

A few days ago, the federal government submitted to the Continuing Committee of Ministers on the Constitution three papers relating to powers over the economy. These papers contain proposals which could conflict with the overall view which Quebecers have of the federal system.

The general argument put forward in these papers is that Canada has come to a point in its development when it appears that most of the provinces, for varied but self-seeking reasons, are undertaking activities and adopting regulations which, in Ottawa's opinion, are likely to unduly impede the free movement between the provinces of people, goods and capital, and therefore to threaten the Canadian common market. To cope with this "danger", Ottawa has put forward constitutional proposals which would appear to have the clear consequence of

- (1) placing unprecedented restrictions on the exercise by the provinces of their present economic powers, and even of certain other powers which might have economic implications;
- (2) implementing an overall "national" policy directed by Ottawa which would have negative results on the economy of Quebec and thereby increase the dependence of Quebecers.

In view of the far-reaching scope of the federal documents and the significance of the discussions they have prompted, the Quebec delegation feels it is essential to emphasize

its disagreement not only with the Ottawa proposals but also with the analysis on which the federal government has seen fit to base its proposals. Quebec's comments will join those already made by several other provinces.

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CONTROLLING UNILATERAL FEDERAL ACTION

In recent years those who have been concerned with the renewal of Canadian federalism have devoted particular attention to the problems presented by Ottawa's resort to the major federal powers of intervention (the declaratory power, the spending power and so on). Several governments, including that of Quebec, task forces, political parties and commissions of inquiry have on several occasions indicated that they felt it was necessary to limit this opportunity for unilateral action. They concluded, based on their findings, that the reliance on these powers frequently led to a cancellation of the powers of the province, and to the introduction of the federal government into sectors of activity which did not belong to it.

It is for this reason that in 1968 the federal power of taxation and spending - that is, the power to invade the fields of provincial jurisdiction at will - was placed on the agenda of the constitutional conferences. Discussions were accordingly held on the declaratory power and the power of disallowance in subsequent rounds of discussion. There was also some mention from time to time of the general power based on the "peace, order and good government" clause.

No concrete or final agreement has yet been reached on the way in which the exercise of such powers should be limited. However, there appears so far to have been a feeling in the provinces and in Ottawa that the federal jurisdiction in question should be re-examined with a view to its being limited. Some persons felt this should be done by the institution of a redistribution of powers between the federal and provincial governments, others by precise constitutional rules to guide the exercise of these powers, others by the creation of a body intended to replace the present Senate (House of the Provinces, and so on), and still others by a combination of the two methods.

A CHANGE OF PRIORITIES

However, this tendency has been interrupted by two recent developments. First, the agenda put forward by the Prime Minister of Canada for the present constitutional negotiations does not deal with the major federal powers of intervention. These are omitted from the list of subjects, even though six of the twelve subjects appearing on this list are taken from the agenda of earlier conferences. This means that there will not be any direct discussion of the federal power of taxation or of spending, of the declaratory power or of the power of disallowance, or of any other federal jurisdiction of this nature.

Secondly, in the paper which it tabled on the economic union, Ottawa demonstrated clearly that, in its view of the matter, the economic responsibilities of the provinces should be appreciably reduced, and provisions even included in the Constitution to this effect. It is worth noting here that the federal government can put forward such a view and make it a principal subject for discussion because, of the two new subjects on the agenda one, proposed naturally by Ottawa, concerns the economic powers of the various governments. The subject was vaguely dealt with in 1978 and 1979, but there was no thorough discussion of it.

The situation is thus radically altered. It is no longer a question, as it has been until now, of limiting Ottawa's interventions based on resort to the major powers it enjoys under the existing constitution. On the contrary, the provinces are now the ones which, in the federal view, have excessive economic powers, and whose freedom of action should therefore be limited.

Quebec and several of the other provinces thus have the clear impression that the federal government is making use of the present round of constitutional talks to launch a major offensive against the exercise by the provinces of certain powers which they consider to be essential.

Why have we seen such a significant departure from the priorities thus far observed in the constitutional negotiations? Why has Ottawa become the complainant, when the opposite might have been expected?

It has to be one of two things: either the federal government is creating a strategic diversion by means of a "shock tactic" paper, which it will later withdraw to give the impression of flexibility during the present talks, and so avoid "concessions" in other areas; or its paper is intended seriously and Ottawa really means what it says.

Quebec does not think the federal government is merely indulging in a strategic manoeuvre; rather, Quebec believes the federal stance should be taken very seriously.

In fact, this is one in a long line of efforts by the federal government to increase its powers or to reduce those of the provinces. In the past, such efforts have surfaced every time that, in Ottawa's opinion, an emergency situation has developed, or whenever, again according to Ottawa, the general situation of the economy or the world required federal intervention. In this way over the years, citing emergencies resulting from unusually serious problems war, inflation, unemployment, regional disparities, energy and so on, Ottawa has always taken the opportunity of finding new justifications for permanent extensions of the federal sphere of influence.

EFFECTS OF FEDERAL PROPOSALS

Two questions arise here: what would be the effects on the provinces of implementing the federal proposals, expressed and implied, to provide for preserving the "Canadian common market?" - and should the problem described by Ottawa lead to introduction of the measures which it is proposing?

One of the chief difficulties faced by the provinces in the current discussions is the frequent inability of the federal spokesmen to specify the consequences arising out of their own proposals. This is somewhat disturbing in some respects, but quite understandable when it is remembered that, by the amendments which it is suggesting to Arts 91 and 121 of the existing constitution, the federal government is putting the provinces in a position in which, a priori, all their internal policies, even the most essential or fundamental (such as regional development) could become illegal to the extent that they have negative effects on the movement of goods, services, capital and citizens from one province to another. What this means is any provincial action with economic consequences, or indeed any consequences, for the mobility and interchangeability of the factors of production would be suspect. In the final analysis, the provinces could find that they were barred by the courts from adopting measures which they felt were in keeping with their own special needs. As will readily be understood, this would alter the nature of Canadian federalism and make the provincial governments local offshoots of the federal government.

At the time this paper is written, Quebec feels it is quite justified in suggesting that the federal approach would probably ultimately have the following consequences, which it is significant merely to mention, when one considers that, in a federal system, the characteristic feature of political authority is precisely that it is divided between the two levels of government:

- the small, medium-sized and large businesses located in Quebec could no longer benefit from the preference given them by the Quebec government in its purchasing of goods and services;
- ore taken from Quebec mines could equally well be processed within or outside the province, and the government would be unable to intervene to protect the jobs in question by means of tax or other measures;
- it would be more difficult to ensure a stable income for egg and chicken producers in Quebec through the various marketing agencies;
- the government could no longer give preference to Quebec architects and engineers in awarding contracts for public projects;
- Quebec construction workers would no longer have the protection they now enjoy;
- Quebecers applying for positions in the Quebec civil service would be on the same footing as non-residents;
- all the professions in Quebec would be open to any Canadian professional worker, since they could not be regulated differently than in the other provinces;
- the language policy favouring the use of French could be challenged;
- Canadians from other provinces studying in Quebec would be eligible for the loans and grants given by the Department of Education;
- any financial institution located in Quebec could fall under the outside control without the government's being able to intervene;
- Quebec booksellers would be on the same footing as outside booksellers for the purposes of the government's grant policy;

- incentive programs of a number of departments and agencies designed to encourage businesses to locate or expand in Quebec could be rendered ineffective;
- programs designed to make certain sectors (the textile industry, for example) more competitive could be eliminated;
- businesses with their head offices in Quebec could no longer receive special tax relief on investments;
- citizens investing in small businesses or in businesses with a head office in Quebec (shares savings plan) could no longer receive the tax credits given under the "Parizeau Plan";
- it would no longer be possible to control the ownership and purchase of Quebec land by non-residents;
- Quebecers would no longer be able to enjoy a special rate for the electricity they use.

We could go on with this list of possible consequences of the implementation of Ottawa's constitutional proposals on the citizens and businesses of Quebec. We could also submit a long series of questions concerning the potential repercussions of these proposals on the Quebec government's fiscal policies (individual and corporate) and on its educational and social policies, all of which necessarily involve, as is the case in the other provinces, factors likely to affect the mobility of people and capital. The examples given above, however, suffice to show that the federal proposals would have a profound effect on the individuals and businesses of the provinces, as well as on their governments.

THE PROSPECT OF AN EVEN MORE CENTRALIZED FEDERALISM

This list may, in the eyes of some, appear a deliberate attempt to dramatize the situation which is not really all that serious. There are two possibilities, however. The first is that this outlook is overly pessimistic and therefore it is up to Ottawa to determine clearly, in its proposals, that provincial economic powers will not be removed. If it is not a question of an offensive against the provinces, then why can no way be found to affirm this unequivocally in the constitutional texts put forward, and why is it so difficult to give more than disquieting generalities in reply to the many questions raised by the provinces, including Quebec?

The other possibility is that the consequences described above are in essence the ones Ottawa is seeking to achieve, for reasons which it has been harbouring for years. This would mean that, from the federal viewpoint, the time has come to reduce the provinces to the rank of regional administrations under the control of the central government, at least as far as economic powers are concerned. This may very well be the case, but if so, and we are in fact dealing with an interpretation of federalism which Ottawa is determined to put forward from now on, it would be imperative for the provinces to be openly notified of this intention. The nature of the political system in Canada should not be modified on the basis of a misunderstanding.

Unless there is a mistake, the federal paper, under the cover of "generous" economic considerations and claims of seeking the common good, in reality envisages a quite significant transformation of the federal system.

The point at issue in this discussion is not merely the differences between governments, and therefore between politicians and technocrats, but whether we must encourage the creation - for this is what really is at stake - of a federal super-state, which would in the long run assume increasing power, not only over provincial governments, but also over private institutions, inasmuch as the regulations governing these institutions are presently a provincial responsibility. For Quebec, this consideration has very special and even vital significance, since its citizens have social and cultural characteristics which are not mentioned anywhere in the paper submitted by Ottawa and which, historically, have been at the root of the need for a comprehensive revision of the constitution.

The proposals in the federal paper directly affect, precisely because they completely ignore it, the shape of Quebec society, at least to the extent that public and private institutions in Quebec are involved. The Ottawa paper applies to a conveniently homogeneous population made up of imaginary individuals, living in an unorganized society but sharing technocratic values. Neither Quebec society nor the Canadian people as a whole fits into this mold.

AN INCORRECT DIAGNOSIS

We thus come to the second question asked above: should the problem described by Ottawa concerning the dangers supposedly being faced by the Canadian economic union lead to introduction of the measures it is proposing? For Quebec, the answer is "no", because the existence of the problem perceived and singled out by Ottawa has not really been satisfactorily demonstrated, much less proved, and, in any event, Ottawa already possesses too many methods of economic intervention which it may, if required, adopt. The actions taken by the provinces in the normal exercise of their responsibilities do not spring from self-seeking or malicious motives, but are part of the normal functioning of a federal system in which the member states must possess real powers.

In spite of everything Ottawa says, at the present time no one in Canada is systematically fighting against the Canadian common market; no individual or government has decided, by its actions, to undermine Canada's trading area or to upset the economies of other provinces. In fact, few were even aware of a "problem" being created by provinces acting forcefully within their areas of jurisdiction. Ottawa discovered this "problem",

but it could just as well have been discovered a "problem" concerning the environment, international relations, social policy, urban affairs, scientific research, culture, consumer affairs, the birth rate and so on, and submitted a paper dealing with one of these problems, comparable to the one it tabled on provincial action in the economic sphere.

Our particular problem, according to the federal government, is due to the fact that the provinces are to an increasing extent in a position to adopt and implement policies which are not in line with Ottawa's way of thinking. What if this is so? If we are part of a federal system, and if federalism means that member states possess concrete means of action, then how can the people in Ottawa expect that certain provincial decisions will not from time to time conflict with the opinions, wishes and objectives of the central government, whether these decisions concern the economy, social policy, fiscal measures or any other matter? In the final analysis, the "problem" which Ottawa is seeking to resolve definitively by the proposals it is submitting is one which is inherent in federalism.

Of course, there are other federal systems which do not allow their member states the same latitude enjoyed at times by the provinces of Canada. In this type of discussion, however, comparisons made between countries often gain in sophistries what they lose in their neglect of the circumstances and situations in question.

Thus it is true that the Swiss constitution has provisions to ensure the freedom of movement of individuals (article 31). Nevertheless, the same constitution allows a canton to refuse admission to a person wishing to settle there, if the individual in question is unable to find employment or is receiving social assistance. As for freedom of trade, the federal constitution of Switzerland makes an exception for state (canton-governed) monopolies.

It is also true that the Treaty of Rome, which created the European Economic Community, establishes the principle of the elimination of barriers to the free movement of goods, people, services and capital between member states (article 3). However, the formulation of co-ordinated policies within the Community is based from the outset on the unanimous consensus of the member states, which are sovereign, so that decision-making power in effect remains in their hands.

DISASTROUS CONSEQUENCES FOR QUEBECERS

Ottawa is starting from the position that the collective wealth will increase if a "national" policy is applied to Canada as a whole. This is based on as broad a laissez-faire policy as possible with regard to production factors (capital and labour) and exchanges of goods and services. The other aspect of the federal position is that the surplus wealth thus created will result in a more generous redistribution of this wealth among Canadians than is currently the case.

This is a theoretical view of reality whose application would have disastrous consequences for Quebec and Quebecers. It is possible to increase the collective wealth much more concretely and surely¹ by strengthening the economies of the provinces and of their regions. This would require dynamic action by the provincial governments, which would implement a variety of measures suited to their needs.

It is a well-known economic phenomenon that regions that become more economically developed than others reach a point where they no longer need interventionist policies to sustain their development. In fact, the advances they have made give them the power of sustaining their own development. Where this capacity for self-sustained development is not achieved, it is necessary for the regions to have the essential economic instruments with which to sustain the desired development and to catch up with the more favoured areas. It should also be recalled that a developed region becomes a centre of attraction that makes a satellite of the neighbouring regional economies and, in the long run, of the national economy.

The laissez-faire approach that Ottawa would like to impose on the provinces, without the federal government's being subject to it, would have two consequences. As we have seen, the provinces would no longer be able, for all practical purposes, to intervene meaningfully in the marketplace. Consequently, the location of centres of economic activity would be left up to the businesses themselves, which would then be in a position to play a determining role in the growth of a given part of Canada - a role which the provinces would be denied. The second consequence is that any correction of this imbalance would be reserved for the central government, which would then resort to so-called "national" policies, which so far cannot be said to have consistently benefited Quebec!

Quebec holds to the general principle that it is essential for it to retain and even increase its power to act in its own territory. Any other view would be simply naive. By Quebec we mean here not only the provincial government and its agencies but also the private institutions which our people have built up over the years. To hand over regulation of Quebec's

1 See Appendix.

economic future to the federal government alone would be unacceptable to Quebec.

Ottawa also claims that an increase in the collective wealth could result in a better redistribution. Aside from the fact that there is no guarantee of such growth, this federal position amounts to saying that if jobs and investments are nonexistent or insufficient, the situation can easily be offset by equalization payments and unemployment insurance. Quebec does not share this view since it inevitably leads to greater dependence.

Moreover, it is not a matter of indifference for the people of Quebec whether they find jobs in Quebec or have to look for them outside the province. For obvious reasons, Quebecers are less inclined than other Canadians to go and work in another province. It is therefore important to find them jobs in Quebec first, rather than considering them as mere pawns that can be moved about at the whim of the job market.

Therefore, Ottawa's analysis in the paper which it submitted is not only politically faulty, since it overlooks the primary characteristics of a federal system (not to mention the special situation of Quebec society), it is also mistaken on a strictly economic basis, which is just about as serious. The paper is based on the supposed advantages of economic laissez-faire, which had its heyday several generations ago. This view of the facts is not only outmoded, it is dangerous - dangerous because it comes at a time when most people are less concerned with centralizing areas of decision-making in order to preserve an economic union, than with decentralizing these areas without jeopardizing an economic union which no one really wants to destabilize.

THE REAL PROBLEM

This is where the real problem and the real challenge lie for Ottawa and the provinces. The aim must not be to react to what one province or another may perceive as "threats" to Canada's economic unity, but rather to organize Canada so that the necessary decentralization of economic decision-making does not jeopardize the Canadian common market! The aim must not be to prevent decentralization on the unproven grounds that decentralization will necessarily result in disintegration of the Canadian common market, but rather to find ways to bring about a decentralization that will preserve this common market.

Quebec would have liked Ottawa to look into this question rather than using outmoded ideas and latent centralizing tendencies to call for measures likely to prevent the evolution of our present political system. What we needed was an analysis based on conditions in the 80s, not a nostalgic federal hearkening back to the views of the 50s!

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For the above reasons, which we will come back to later, Quebec rejects Ottawa's proposals to reduce the provinces' economic powers. Furthermore, in view of the promise made so often to them during the referendum, Quebecers expect the current constitutional exercise to confirm and increase Quebec's powers. They would find it incredible to have their degree of autonomy reduced instead. If this were to happen they would feel they had been misled.

Therefore, given the necessary decentralization of economic powers and the no-less-necessary preservation of the Canadian common market, Quebec proposes:

- (1) that the economic and trade relations required to maintain the interprovincial common market be the subject of regular discussions at conferences of first ministers and finance ministers;
- (2) that the discussion focus on how decentralization of certain economic powers would be an additional stimulus to economic development and the prosperity of all Canadians.

Federal policies and the Quebec economy
Quebec Planning and Development Bureau
 (Second extended version, 1979)

EXCERPT

3.1 National or regional optimum

The economic strategy which would maximize a nation's economic and social development using tools such as commercial, monetary and fiscal policies is not likely to be that which will maximize the economic and social development of each of the country's regions. The larger and more diversified the country is, the more this is true. Furthermore, by the very nature of the decision-making process in a political system such as Canada's, there is no guarantee that the optimum strategy could be attained, even for the country as a whole.

The regions which carry greater economic and demographic weight inevitably exercise greater political influence (the majority rules). The decision-makers may thus be inclined to implement an economic strategy corresponding more closely to the interests of these regions.

The effect of these decisions is reinforced by another factor. Myrdal and Kaldor, among others, have suggested that a region which has moved somewhat ahead of the others develops a self-sustaining growth process.¹ Accordingly, as a result of the forces inherent in the de facto free trade within a national market, in the absence of policies sufficiently strong to counter this process, the advance made by a region tends to accelerate due to internal and external economic phenomena.

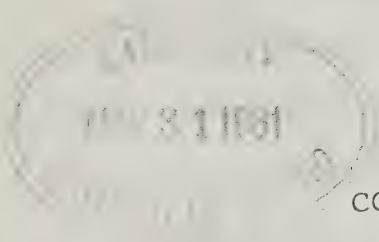
Such a region becomes a development pole which tends to convert the economies of neighbouring regions into satellite economies. It is unlikely that sufficiently vigorous measures will be taken to offset the trend to concentration of the economy and to redistribute development between the regions, since once again, the political weight of the strong region will carry great clout in decision-making at the federal level. An examination of the structure of the Quebec economy discloses certain problems which tend to confirm the notion that it is becoming progressively reduced to a satellite of Ontario's economy: the comparative development of Montreal and Toronto is instructive in this respect.

In theory, there is nothing with this as such. On the contrary, many economists regard the polarization of development as an advantage, despite the problems inherent in such a phenomenon: deterioration of the environment, congestion and pollution of all kinds and so forth. They consider that such concentration allows the economy to enjoy much greater growth potential, taken overall, and it is still possible, they feel, to find a solution for the ecological problems. In this context, regional development is not an end in itself. Provided people can move into the region which is prosperous, the problem inherent in regional disparities will be resolved.

However, in practice such a development strategy raises serious problems including, first of all, those associated with the fact that there are many obstacles to the mobility of labour (affection for a particular region, attachment to one's family or culture, and so on). This failure of labour to adjust immediately leads to unemployment. Another series of problems results from movement itself: transportation costs, costs incurred by the individual as a result of separation from his surroundings and so on. The question is whether the benefits outweigh the costs.

In a society that is relatively homogeneous culturally, adjustments to an economic polarization strategy, at the expense of more centralized growth, can be made more readily. However, in a culturally diversified nation like Canada, where one of the two founding peoples is spatially concentrated in one region, the economic and social costs of making the economy of that region a satellite economy become extremely high. The data on unemployment between Ontario and Quebec show that the adjustment is not easily made. Furthermore, it can be shown statistically that, when movement does occur, it is frequently synonymous with cultural and linguistic damage which ends in rapid assimilation.

DOCUMENT 830-87/012



CONFERENCE OF MINISTERS OF
CULTURE AND HISTORICAL RESOURCES

Communiqué

Sepetember 19, 1980

September 1980
Toronto, Ontario

C O M M U N I Q U E

Ministers of the Governments of Canada, the Provinces and the Yukon Territory responsible for Culture and Historical Resources met at a federal-provincial conference in Toronto on Friday, 19 September 1980 to consult on subjects of mutual interest.

The federal-provincial conference, co-chaired by The Honourable Reuben C. Baetz, Minister of Culture and Recreation of the Province of Ontario and The Honourable Francis Fox, Minister of Communications and Secretary of State for Canada, could be characterized as highly co-operative and productive.

Ministers unanimously reaffirmed their view that culture and historical resources are of fundamental importance to Canadian identity and the quality of life and that they make basic contributions to the economic vitality of the country.

Ministers agreed that the federal-provincial conference of culture and historical resources would be held annually and that it would become the ongoing mechanism for two-way consultation and decision-making relative to cultural development.

They therefore directed that the Steering Committee of deputy ministers established at their meeting in St. Andrews, New Brunswick last year be sustained to discuss issues of concern to the federal and provincial governments and provide working documents which could form the basis of the agenda for next year's meeting in Quebec.

Ministers discussed preliminary federal proposals for lottery revenues. Monies might be made available to help ensure the financial stability of professional performing arts companies in Canada, on capital assistance in the arts and culture, and on cultural activities of national significance.

There was general agreement among the provinces on these preliminary proposals.

On the subject of financial stability, there was agreement that the efforts of companies which had been managed effectively would be tangibly recognized.

Ministers agreed that there should be a permanent scheme of government indemnification for major international art exhibitions touring in Canada.

The provinces felt that the responsibility for risk in such a scheme should be assumed by the Government of Canada.

The federal government was of the view that the responsibility should be shared.

Mr. Fox agreed that he would represent to his colleague, the Minister of Consumer and Corporate Affairs, the wishes of the provincial ministers that the process of revising copyright laws not be undertaken in isolation from the development of cultural policies and from the creators and consumers of cultural products.

Ministers agreed that the National Arts Centre has an important role as a showcase for the best in the performing arts from all across the country.

They agreed that touring in Canada by the performing arts companies resident in the National Arts Centre should be done in consultation with the provinces concerned.

Provincial ministers expressed concern about what they perceived to be a relative advantage that resident companies of the N.A.C. received in respect of funding from the federal government.

Ministers referred to the steering committee of deputy ministers for further study:

- greater coherence on operating grants in the performing arts;
- measures both at the provincial and federal level to foster Canadian content;

- the development of the concept of 1984 as the year of the arts to be conducted with available resources and to focus on increasing public awareness of the excellence of the arts in Canada;
- the refinement of policy on international cultural exchanges;
- tax incentives for the arts.

Ministers recognized the role of the Minister of Communications in convening a meeting of a working group on museums and the desirability of further meetings to continue the work that has been undertaken in the last year.

On the subject of primacy of responsibilities, Mr. Fox noted the views of the Provinces, and responded with an assertion of the need for a continuing concurrent role for the Government of Canada in the cultural field. Moreover, Mr. Fox expressed his agreement with the objectives underlying the concern of the provinces that complementarity in policy development and program implementation could best be assured by having the federal government ensure that there is genuine and effective prior

consultation and, whenever feasible, agreement with the provinces on any major policy and program initiatives. For their part, the Provincial Ministers would support any federal proposals aimed at ensuring this objective and would take necessary steps to ensure that cooperation was assured in a bilateral way.

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C O M M U N I Q U E

Ministers responsible for culture and historical resources from the provinces and the Yukon Territory met in Toronto on Thursday, 18 September 1980 to review progress and discuss new developments in the year since their last meeting in St. Andrews, New Brunswick.

They observed that despite financial constraints common throughout the country, there have been encouraging legislative and program initiatives designed to ensure the conservation of historical resources and the development of the arts and culture.

The Ministers have, as they did in St. Andrews', affirmed the primary responsibility of the Provinces in cultural matters.

At the St. Andrews' conference, a deputy ministers' committee was established and instructed to bring forward recommendations on a number of common concerns.

Following discussion of these items, Ministers agreed:

- to further promote the concept of interprovincial cultural exchanges
- to review thoroughly proposals relative to tax incentives for

the arts, international cultural exchanges,
designation of properties as historic
sites, indemnification and 1984 year of
the arts.

Ministers observed that recurring operating deficits for
arts organizations remain a central problem.

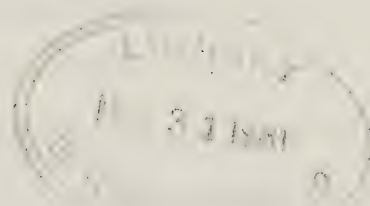
It is anticipated that this, and other matters of
mutual concern, will be discussed with the Hon. Francis Fox,
Minister of Communications for Canada, at the Federal-
Provincial conference on Friday.

Ministers noted that in a statement made on
28 August 1980, Mr. Fox implied that there is significant
value in genuine federal-provincial cooperation and consult-
ation with respect to culture and historical resources.

DOCUMENT: 830-88/015

FEDERAL-PROVINCIAL CONFERENCE OF MINISTERS
RESPONSIBLE FOR SPORT, FITNESS AND RECREATION

Press Release



Toronto, Ontario
October 21, 1980

COMMUNIQUE

Federal, Provincial and Territorial Ministers responsible for sport, recreation and fitness met in Toronto on Tuesday, 21 October 1980 to discuss matters of mutual interest.

The meeting was co-chaired by the Honourable Gerald Regan, Federal Minister responsible for Fitness and Amateur Sport and the Honourable Reuben C. Baetz, Ontario Minister of Culture and Recreation.

Mr. Regan told Ministers that Saint John, New Brunswick had been chosen as the site for the 1985 Jeux Canada Games.

Mr. Baetz said that on Monday the Provincial Ministers had discussed the need for guidelines on the delineation of government responsibilities in recreation and on the ways in which intergovernmental co-ordination and co-operation could be assured.

The Deputy Ministers' Committee of the Inter-provincial Ministers Conference and the Interprovincial Sport and Recreation Council have been directed to analyze the 1974 recreation paper entitled "The Past, The Present and The Future".

They are to study its basic principles, identify jurisdictional issues and propose solutions to those issues.

The government of Canada was invited to appoint officials to participate in the process and Mr. Regan agreed.

The officials were to report on their study of "The Past, The Present and The Future" at the 1981 inter-provincial Ministers Conference for approval and sharing at the 1981 Federal-Provincial Conference.

Ministers accepted, with thanks, British Columbia's invitation to host the 1981 conferences. They affirmed the importance of meeting annually to exchange program ideas and information in their fields of responsibility.

The conference emphasized the value of continuing discussions to ensure consultation and co-operation in the field of fitness.

Mr. Regan said the government of Canada would not undertake any new initiatives in the fitness and physical recreation fields through Fitness Canada without prior consultation with the provinces. He said the national fitness survey based on a random sample of 12,000 households in Canada would begin next January.

Mr. Regan announces that he had recently undertaken to more closely integrate the activities of Fitness Canada with those of Recreation Canada. The role of the new Directorate, Fitness Canada, will be to continue to support those national programs that contain a strong physical activity element thus promoting fitness of all Canadians.

Reporting on the status of the Federal Government White Paper on Sport, published in May 1979, Mr. Regan reported that although a number of good ideas and recommendations were contained two basic elements were being deferred at this time. These involve proposals for establishment of a Crown Corporation for Sport and the holding of a National Sport Congress. Provincial Ministers endorsed this Federal position.

Mr. Regan advised Provinces that a federal policy paper outlining proposals for federal roles in sport, recreation and fitness is being prepared. The fullest consultation with, and input from the provinces would be solicited.

Provincial Ministers asked the federal minister to discuss with his colleague, the Postmaster General, the possibilities of conferring second class mailing status upon the publications of sports governing bodies.

Mr. Regan indicated his concurrence with the idea and undertook to discuss the matter with his colleague in the hope of getting favorable consideration.

Provincial Ministers asked the federal minister to discuss with his colleague, the Minister of National Revenue, the possibility of granting to provincial sport governing bodies the privilege of issuing receipts for income tax purposes.

Mr. Regan undertook to seek favorable consideration of this request.

Ministers discussed the process and intent of the study now being prepared for the federal government on the impact of high performance athletic training centres in Canada. The federal minister indicated the study would be completed by July, 1981. He said that he would share with all ministers at the federal-provincial conference next year the results of the study. He also indicated that he would consult with provincial ministers individually and in regional groupings before any commitment to establish any centre.

A Federal proposal that would elevate the Jeux Canada Games cycle to an annual basis was submitted. It will be considered by officials who will report to the 1981 ministerial meeting.

Speaking on behalf of his provincial colleagues, Mr. Baetz acknowledged the warmly co-operative quality of the discussions between the federal minister and his provincial peers.

3RD FEDERAL-PROVINCIAL CONFERENCE OF MINISTERS
RESPONSIBLE FOR CULTURE AND HISTORICAL RESOURCES

3^e CONFERENCE FEDERALE-PROVINCIALE DES MINISTRES RESPONSABLES
DES AFFAIRES CULTURELLES ET DES RESSOURCES HISTORIQUES

Regina

May 4, 1982

le 4 mai 1982

LIST OF PUBLIC DOCUMENTS

LISTE DES DOCUMENTS PUBLICS

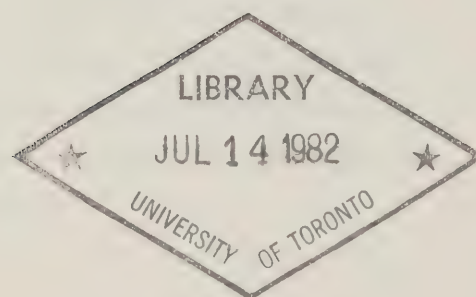
DOCUMENT NO. N° DU DOCUMENT	SOURCE ORIGINE	TITLE TITRE
830-91/025	Conference ✓	Federal and Provincial Ministers Responsible for Culture salute Canada Council on its 25th Anniversary
	Conférence ✓	Les ministres provinciaux responsables de la culture et leur homologue fédéral rendent hommage au Conseil des Arts à l'occasion de son 25e anniversaire
830-91/029	Conference ✓	Press Communiqué of the Conference
	Conférence ✓	Communiqué de presse de la conférence



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3RD FEDERAL-PROVINCIAL CONFERENCE OF MINISTERS
RESPONSIBLE FOR CULTURE AND HISTORICAL RESOURCES

Federal and Provincial Ministers Responsible for Culture
salute Canada Council on its 25th Anniversary



May 4, 1982
Regina, Saskatchewan

Federal and provincial ministers responsible for culture
salute Canada Council on its 25th anniversary

REGINA, May 4, 1982 -- Provincial ministers responsible for culture and historical resources and their federal counterpart today paid a warm collective tribute to the Canada Council on the occasion of its 25th anniversary this year.

All ministers, who are here for one day of talks on cultural matters, said: "In the last 25 years, the Canada Council has brought the arts in Canada to a level of excellence comparable to anywhere in the world. Indeed, no other institution has done as much for the arts in Canada."

The Canada Council was established in 1957 in response to a recommendation by the Royal Commission on National Development in the Arts, Letters and Sciences (the Massey-Lévesque commission).

"Since the 1950's, Canadians' awareness of their cultural heritage and the talents of their artists has risen immeasurably," said the ministers. "Now every region of the country, every large and small community contains artists and creators whose work is valued by Canadians."

"Through its support for writers, literary publishers, visual artists, theatre companies, dance groups and musicians, the Council has encouraged a level and quality of cultural expression in Canada of which we can be proud," said the ministers. "The Council with the help of governments provincial and federal, has in the last quarter-century, brought about an artistic sunrise in Canada which will light our way into the 21st century."

"As ministers responsible for culture, as Canadians, we all owe a debt to the Canada Council for this accomplishment, not only because of the intrinsic value of such cultural activity, but also because of its broader implications for our understanding of our own cultural identity as a people," said the ministers.

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3^e CONFERENCE FEDERALE-PROVINCIALE DES MINISTRES RESPONSABLES
DES AFFAIRES CULTURELLES ET DES RESSOURCES HISTORIQUES

Les ministres provinciaux responsables de la culture et leur
homologue fédéral rendent hommage au Conseil des arts à
l'occasion de son 25e anniversaire



le 4 mai 1982
Régina (Saskatchewan)

Les ministres provinciaux responsables de la culture et leur homologue fédéral rendent hommage au Conseil des arts à l'occasion de son 25e anniversaire

REGINA, le 4 mai 1982 -- Les ministres provinciaux responsables de la culture et des ressources historiques et leur homologue fédéral ont rendu aujourd'hui un hommage chaleureux au Conseil des arts du Canada à l'occasion de son 25e anniversaire.

Réunis à Regina pour la journée afin de discuter d'affaires culturelles, les ministres ont déclaré : "Au cours des derniers 25 ans, c'est grâce au Conseil des arts que l'expression artistique canadienne a atteint l'excellence et se compare favorablement à tout ce qui se fait ailleurs au monde. En effet, aucun autre organisme n'a autant contribué à l'essor des arts au Canada."

Le Conseil des arts du Canada a été fondé en 1957 à la suite d'une recommandation de la Commission royale d'enquête sur l'avancement des arts, des lettres et des sciences (la Commission Massey-Lévesque).

"Depuis les années 50, la sensibilisation des Canadiens à leur héritage culturel et aux talents de leurs artistes croît sans arrêt", ont déclaré les ministres. "A l'heure actuelle, artistes et créateurs travaillent dans toutes les régions du pays, dans toutes les localités, grandes ou petites, et font preuve d'un talent que tous les Canadiens commencent à reconnaître."

"L'aide du Conseil des arts aux écrivains, aux éditeurs littéraires, aux peintres et aux sculpteurs, aux troupes de théâtre, aux corps de ballet et aux musiciens tout au long de ces 25 ans a permis à l'expression culturelle canadienne d'atteindre un niveau et une qualité dont nous pouvons être fiers", ont poursuivi les ministres. Avec l'appui des gouvernements provinciaux et fédéral, le Conseil a su nous diriger vers l'aube de la nouvelle ère artistique que sera le 21e siècle."

"Ministres responsables de la culture ou simples citoyens, nous sommes tous redevables au Conseil des arts pour cette réussite. Non seulement son intense activité culturelle possède-t-elle une grande valeur en soi, mais elle a aussi des répercussions profondes qui nous permettent de comprendre notre identité culturelle en tant que peuple", ont conclu les ministres.

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3RD FEDERAL-PROVINCIAL CONFERENCE OF MINISTERS
RESPONSIBLE FOR CULTURE AND HISTORICAL RESOURCES

Press Communiqué



May 4, 1982
Regina, Saskatchewan

Federal, Provincial and Territorial Ministers responsible for Culture and Historical Resources met May 4, 1982 at Regina.

The conference, co-chaired by The Honourable Francis Fox, Minister of Communications for Canada, and The Honourable Mary LeMessurier, Minister of Culture for Alberta, continued the spirit of consultation, co-operation and constructive dialogue characterizing their two previous conferences.

At the beginning of the conference, Ministers received the report of the Steering Committee of Deputy Ministers and expressed their satisfaction that the goals set for the committee in 1980-81 had been achieved. Ministers recognized the work of the two co-chairmen from the Saskatchewan and the Federal governments and the members from Ontario, Québec and the Atlantic region. Ministers decided to expand the committee to include deputy ministers from the federal government and all provincial and territorial governments.

Mr. Louis Applebaum, Chairman of the Federal Cultural Policy Review Committee, discussed with Ministers progress of the review and the timing for release of its final report with recommendations. He clarified for Ministers specific issues of interest.

Mr. Fox stressed the importance of receiving an early reaction from provinces to the report after publication. The provinces look forward to receiving the report and welcomed the federal government's assurance for prior consultation where recommendations are of interest to both levels of government.

Ministers unanimously re-affirmed their view that culture and historical resources are of fundamental importance to Canadian identity and the quality of life and that they make basic contributions to the economic vitality of the country.

In this regard, Ministers noted that the cultural sector is now the fourth largest employer in Canada. In 1979, Canadians spent an estimated \$8 billion on culture, a figure that compares favourably with other important economic sectors such as electrical goods, chemicals and paper.

Ministers agreed that the paper tabled by Mr. Fox entitled "Culture: Broad Policy Issues and Concerns" provided a very good analysis of the challenging problems facing the Canadian cultural environment. Ministers agreed that the issues now facing Canadians are so important and interlinked that they exceed the capabilities of either federal or provincial governments acting in

isolation. Ministers acknowledged the need for a broad coherent approach to culture involving continued cooperation between federal and provincial governments. Ministers asked the expanded committee of deputies to pursue analysis of this issue and examine possible courses of action.

Ministers also received a report containing a proposal for a public scheme to help cultural institutions across Canada to stage exhibitions without incurring significant insurance costs. If applied this scheme would result in considerable savings for the hosting institution thus improving the Canadian public's access to such exhibitions. Ministers gave unanimous approval in principle to the proposal and asked that the indemnification mechanisms be defined further and put in place.

The Honourable Pauline McGibbon, former Lieutenant Governor of Ontario and Chairman of the Board at the National Arts Centre (NAC), and the NAC Director General, Mr. Don MacSween, explained the role of the NAC as a national showcase for the performing arts in Canada. Ministers proposed that the committee of Deputy Ministers reflect further on opportunities for showcasing provincial performers and discuss these further with Mr. MacSween. Provinces also stated an interest in suggesting nominations for appointment to the NAC Board and staff. Mr. Fox indicated his satisfaction with the discussion of this issue and the positive suggestions that had been made.

Ministers received a resume of the latest developments affecting Canada in the area of international cultural relations and expressed satisfaction with the existing process of ongoing consultation

Ministers discussed co-operation and consultation among federal, provincial and territorial levels of government in preparing for the UNESCO World Conference on Cultural Policy. Ministers agreed on the merits of preparing an overall Canadian approach to the conference fully reflecting the multi-faceted Canadian cultural reality and the different regions of Canada.

In recognition of the vital role of the arts in the cultural development of Canada, Provincial Ministers discussed and expressed support for making 1984 a year in which Canadians would become increasingly aware of artistic endeavours throughout Canada. The Ministers agreed that each government would undertake its own "arts awareness" campaigns in pursuit of that objective.

Ministers issued a joint communiqué congratulating the Canada Council on its 25th anniversary and praising its contribution to development of the arts in Canada.

Ministers exchanged information and views on a number of federal government cultural programs and issues, e.g. the Canadian Book Publishing Development Program, the Special Program of Cultural initiatives. Information on the status of the proposed new federal copyright legislation was also received. The provinces urged that an opportunity be provided for provincial views on the proposed copyright revision.

Provincial Ministers discussed the Canada Council's Author's Compensation proposal and agreed to forward comments on it to the federal Minister. It was further suggested that any action on this proposal should await the outcome of the Federal Cultural Policy Review Committee.

Having noted the resolution adopted during the Interprovincial meeting, Federal and Provincial Ministers decided to task the on-going Dominion Provincial and Territorial Archivists' Committee to address the concerns expressed about archival issues, and to report to the next Steering Committee of Deputy Ministers as to recommended courses of action.

Ministers agreed that the work program of the federal/provincial committee of deputy ministers should include further discussion and analysis based on the document tabled by Mr. Fox entitled

"Culture: Broad Policy Issues and Concerns", indemnification of exhibitions, fiscal measures, and bibliographic networking. The committee would also consult further respecting the payment to author's proposal and update the inventory of cultural anniversaries

The Conference of Ministers responsible for Culture and Historical Resources will be held in St. John's, Newfoundland in 1983.

DOCUMENT: 830-91/029

3^e CONFERENCE FEDERALE-PROVINCIALE DES MINISTRES RESPONSABLES
DES AFFAIRES CULTURELLES ET DES RESSOURCES HISTORIQUES

Communiqué de presse



le 4 mai 1982
Régina (Saskatchewan)

Le ministre fédéral et les ministres provinciaux et territoriaux responsables des Affaires culturelles et des Richesses historiques se sont réunis le 4 mai 1982, à Regina.

La conférence, coprésidée par l'honorable Francis Fox, ministre des Communications du Canada, et l'honorable Mary LeMessurier, ministre des Affaires culturelles de l'Alberta, s'est déroulée dans l'esprit de consultation, de collaboration et de dialogue constructif qui avait caractérisé les deux conférences précédentes.

Au début de la conférence, les ministres ont pris connaissance du rapport du Comité directeur des sous-ministres et ont exprimé leur satisfaction face à la réalisation des objectifs qui avaient été fixés au comité en 1980-1981. Les ministres ont souligné le travail des deux coprésidents, le sous-ministre des communications du gouvernement fédéral et le sous-ministre de la culture de la Saskatchewan ainsi que des membres de l'Ontario, du Québec et de la région de l'Atlantique qui constituaient ce comité. Les ministres ont décidé d'élargir la composition du comité afin d'y inclure les sous-ministres du gouvernement fédéral et de tous les gouvernements provinciaux et territoriaux.

M. Louis Applebaum, président du Comité d'étude sur la politique culturelle fédérale, a discuté avec les ministres de l'état des travaux de l'étude et de l'échéancier de publication du rapport définitif et des recommandations. Il a clarifié à l'intention des ministres des points d'intérêt particulier.

M. Fox a souligné qu'il importe que les provinces fassent

rapidement connaître leurs positions au sujet du rapport dès sa publication. Les provinces attendent avec impatience le rapport et elles ont bien accueilli l'assurance que leur a donnée le gouvernement fédéral de procéder à des consultations préalables à la mise en oeuvre des mesures lorsque celles-ci revêtent un intérêt pour les deux paliers de gouvernement.

A l'unanimité, les ministres ont réaffirmé que la culture et les richesses historiques revêtent une importance fondamentale au chapitre de l'identité canadienne et de la qualité de la vie et qu'elles représentent une contribution essentielle à la vitalité économique du pays.

A cet égard, les ministres ont précisé que le secteur culturel constitue maintenant le quatrième plus important employeur au Canada. En 1979, les Canadiens ont consacré quelque 8 milliards de dollars à la culture, montant significatif par rapport à d'autres secteurs économiques importants comme les équipements électriques, les produits chimiques et les pâtes et papiers.

Les ministres ont convenu que le document déposé par M. Fox, intitulé "Les défis culturels de demain", renferme une très bonne analyse des défis auxquels se heurte actuellement le milieu culturel canadien. Les ministres estiment que les problèmes auxquels doivent maintenant faire face les Canadiens sont

tellement profonds et reliés entre eux qu'ils dépassent les moyens dont chacun des gouvernements, fédéral et provinciaux, disposent. Les ministres ont reconnu la nécessité d'aborder la culture dans une optique d'ensemble faisant notamment appel à une collaboration permanente entre les deux niveaux de gouvernement. Les ministres ont demandé au comité élargi de sous-ministres de poursuivre l'analyse de cette question et de dégager les mesures à prendre.

Les ministres ont également pris connaissance d'un rapport dans lequel est proposé un programme public visant à aider les établissements culturels des diverses régions du Canada à organiser des expositions sans avoir à assumer des frais d'assurance trop élevés. La mise en oeuvre de ce projet permettrait à l'établissement hôte de réaliser des économies considérables, ce qui rendrait de telles expositions plus accessibles à la population canadienne. Les ministres ont à l'unanimité accordé leur appui à la proposition et demandé qu'on en précise les mécanismes et qu'on procède à leur mise en place.

L'honorable Pauline McGibbon, ancien Lieutenant-gouverneur de l'Ontario et présidente du conseil d'administration du Centre national des arts (CNA), et le directeur général du CNA, M. Donald MacSween, ont expliqué le rôle du CNA en tant que scène au niveau national des arts d'interprétation. Les ministres ont proposé que le comité de sous-ministres se penche davantage sur les possibilités de présenter des artistes provinciaux et qu'il approfondisse la

question avec M. MacSween. Les provinces ont également fait savoir qu'elles seraient intéressées à avoir leur mot à dire dans la nomination des membres du conseil d'administration et du personnel du CNA. M. Fox s'est dit satisfait de la discussion de ce thème ainsi que des suggestions positives auxquelles elle a donné lieu.

Les ministres ont pris connaissance d'un état de la question dans le domaine des relations culturelles internationales et ils se sont dits satisfaits du processus continu de consultation mis en place.

Les ministres ont discuté de la collaboration et de la consultation entre le fédéral, les provinces et les territoires quant à la préparation de la conférence mondiale de l'UNESCO sur les politiques culturelles. Les ministres se sont entendus sur les avantages de préparer la participation canadienne à la conférence selon une formule globale qui tienne pleinement compte des multiples volets de la réalité culturelle canadienne et des différentes régions du Canada.

Reconnaissant le rôle essentiel que jouent les arts dans l'essor culturel du Canada, les ministres provinciaux ont, après étude de la question, exprimé leur appui au principe visant à faire de 1984 une année au cours de laquelle les Canadiens deviendraient davantage sensibilisés aux réalisations artistiques des diverses régions du Canada. Les ministres ont convenu que chaque

gouvernement mènera ses propres campagnes de "sensibilisation aux arts" en vue d'atteindre cet objectif.

Les ministres ont émis un tribut rendant hommage au Conseil des Arts du Canada à l'occasion de son 25^e anniversaire pour sa contribution au développement des arts au Canada.

Les ministres ont échangé des renseignements ainsi que leurs positions concernant un certain nombre de thèmes et de programmes culturels du gouvernement fédéral: par exemple, le Programme d'aide au développement de l'édition canadienne et le Programme spécial d'initiatives culturelles. On a également fait le point sur les nouvelles mesures législatives fédérales en matière de droit d'auteur. Les provinces ont réclamé la possibilité d'exprimer leurs vues sur la révision proposée dans ce domaine.

Les ministres provinciaux ont discuté du projet du Conseil des Arts du Canada portant sur l'établissement d'un système de paiements aux auteurs canadiens pour l'utilisation publique de leurs livres dans les bibliothèques et ils ont convenu de transmettre au ministre fédéral leurs observations à cet égard. Il a de plus été suggéré d'attendre les résultats des travaux du Comité d'étude sur la politique culturelle fédérale avant de donner suite à cette proposition.

Eu égard à la résolution adoptée au cours de la réunion interprovinciale, les ministres fédéral et provinciaux ont décidé de charger le comité permanent des archivistes du Canada,

des provinces et des territoires de tenir compte des préoccupations exprimées quant au secteur des archives et de faire rapport au prochain comité directeur des sous-ministres sur les mesures à prendre dans ce domaine.

Les ministres ont convenu que le programme de travail du comité fédéral-provincial des sous-ministres devrait notamment comprendre d'autres analyses et discussions fondées sur le document présenté par M. Fox, "Les défis culturels de demain", l'indemnisation des expositions, les mesures fiscales et l'établissement d'un réseau bibliographique. Le comité devrait également procéder à d'autres consultations concernant la proposition sur le paiement aux auteurs, et mettre à jour le répertoire des anniversaires de caractère historique et culturel.

En 1983, la conférence des ministres responsables des Affaires culturelles et des Richesses historiques se tiendra à Saint-Jean de Terre-Neuve.

WILDLIFE MINISTERS MEET IN EDMONTON

EDMONTON, May 26 ... Provincial and Territorial Ministers responsible for wildlife in Canada and Federal representatives, met in Edmonton under the chairmanship of J.E. "Bud" Miller, Alberta's Associate Minister of Public Lands and Wildlife, May 25 and 26, for the first time ever, to review progress to date on important wildlife issues.

The meeting began with a report by Ken Brynaert, Executive Vice President of the Canadian Wildlife Federation, concerning accomplishments to date by Federal/Provincial and non-government wildlife organizations towards development of a wildlife policy for Canada.

A recent U.S. - Canada protocol to amendments concerning Native hunting rights to the Migratory Bird Convention drew pointed comment from several Provinces which could not accept the wording of the document. Roger Simmons, Parliamentary Secretary to John Roberts, Minister of Environment for Canada, agreed that the Provinces and Territories would be consulted respecting any regulations drafted to implement the protocol if it is ratified by the U.S. Senate. It was further agreed that if the protocol is not ratified by the U.S. government, the Provinces and Territories will be consulted respecting any amendments to the original wording.

After reviewing the progress on the development of National and International waterfowl plans, the Ministers agreed that a more effective mechanism was needed for the administration of the Migratory Bird Treaty. To this end Manitoba offered to host a meeting of Federal, Provincial and Territorial delegates to examine the present arrangements for international migratory bird management, to clarify agency roles, to define the principles upon which future Canadian positions will be based and to recommend a more effective structure for conveying Canada's position in future international negotiations on migratory bird management. As well, all delegates agreed that there was a need for a mechanism to define Federal/Provincial and Territorial roles in all spheres of wildlife management.

The Federal/Provincial Committee on Humane Traps briefed the Conference on its work to date and indicated a final report would be forthcoming few months. However, the delegates concurred that they will be expanding their efforts in humane traps. Also recognized by all participants was the need for continued research and development, particularly in the areas of field testing of humane devices and encouragement of trap inventors.

The creation of a national coordinating body was discussed, to oversee ongoing research and development and the distribution of humane trapping technology.

The Minister from the Northwest Territories brought forward a subject of vital importance to the people of the North, the management of the Kaminuriak and Beverly caribou herds. However, this requires the cooperation of those provinces in which these herds live for part of the year. Manitoba has agreed to cooperate with the Territories in herd management, but the Provincial Ministers agreed there is potential for conflict between the terms of the Natural Resource Transfer Agreements and the hunting rights of Native peoples.

Manitoba raised the question of Treaty Indian hunting and discussed preparation of a booklet setting out the interpretation of Native hunting rights in Manitoba.

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RENCONTRE DES MINISTRES RESPONSABLES
DE LA FAUNE A EDMONTON

EDMONTON, le 26 mai... Les ministres provinciaux et territoriaux responsables de la faune au Canada et les représentants fédéraux se sont réunis pour la première fois les 25 et 26 mai, à Edmonton. Cette conférence, sous la présidence de M. J.E. (Bud) Miller, ministre associé des Terres publiques et de la Faune (Public Lands and Wildlife) de l'Alberta, avait pour but d'examiner les progrès réalisés jusqu'à maintenant en rapport avec les questions importantes relatives à la faune.

M. Ken Brynaert, vice-président exécutif de la Fédération canadienne de la faune, a ouvert la conférence en présentant un rapport sur les progrès réalisés à ce jour par les organismes fédéraux, provinciaux et non gouvernementaux, relativement à l'élaboration d'une politique canadienne sur la faune.

Un récent protocole Etats-Unis-Canada sur les amendements de la Convention sur les oiseaux migrateurs touchant les droits de chasse des Autochtones a soulevé des commentaires acerbes de nombreuses provinces qui ne pouvaient pas accepter le

libellé du document. M. Roger Simmons, secrétaire parlementaire de M. John Roberts, ministre de l'Environnement du Canada, a convenu que les provinces et les territoires devraient être consultés sur tout règlement adopté pour mettre le protocole en vigueur, s'il est ratifié par le Sénat américain. On a également convenu que les provinces et les territoires seront consultés pour tout changement au libellé original, si le protocole n'est pas ratifié par le gouvernement des Etats-Unis.

Après avoir étudié les progrès réalisés dans l'établissement d'une planification nationale et internationale relative aux oiseaux aquatiques, les ministres ont convenu du besoin d'un mécanisme plus efficace pour administrer la Convention sur les oiseaux migrateurs. A cette fin, le Manitoba a offert d'organiser une réunion de délégués fédéraux, provinciaux et territoriaux pour étudier les ententes actuelles sur la gestion des oiseaux migrateurs, pour préciser les rôles de l'organisme, pour énoncer les principes sur lesquels se fonderont les positions qu'adoptera le Canada et pour recommander une structure plus efficace pour défendre la position du Canada lors des futures négociations internationales sur la gestion des oiseaux migrateurs. Tous les délégués ont

de plus convenu de la nécessité d'un mécanisme pour définir les rôles du gouvernement fédéral et des gouvernements provinciaux ou territoriaux dans tous les secteurs de la gestion de la faune.

Le Comité fédéral-provincial sur les techniques de piégeage moins cruelles a présenté un exposé aux délégués sur son travail jusqu'à maintenant, et il a indiqué qu'un rapport final sera déposé d'ici quelques mois. Les délégués se sont néanmoins entendus pour intensifier leurs efforts dans le domaine des techniques de piégeage moins cruelles. Tous les participants ont également reconnu qu'il était nécessaire de poursuivre la recherche et le développement, spécialement dans les domaines de l'essai sur le terrain des techniques de piégeage et de l'appui aux inventeurs de pièges.

On a discuté de la création d'un organisme national de coordination qui verrait à ce qu'on poursuive la recherche et le développement et à ce qu'on fasse connaître les techniques de piégeage moins cruelles.

Le ministre représentant les Territoires du Nord-Ouest a soulevé une question de la plus grande importance pour la population

du Nord, à savoir la gestion des troupeaux de caribous de Kaminuriak et de Beverly. Cette gestion requiert cependant la coopération des provinces où vivent ces troupeaux pendant une partie de l'année. Le Manitoba a accepté de collaborer avec les Territoires dans la gestion des troupeaux, mais les ministres provinciaux ont souligné qu'il pourrait y avoir conflit entre les dispositions des Accords sur le transfert des ressources naturelles et les droits de chasse des Autochtones.

Le Manitoba a soulevé la question de la chasse par les Indiens affectés par le Traité, et il a fait part de la rédaction d'une brochure définissant son interprétation des droits de chasse des Autochtones au Manitoba.

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FEDERAL-PROVINCIAL CONFERENCE OF MINISTERS AND DEPUTY MINISTERS
OF THE DEPARTMENTS OF PUBLIC WORKS AND SUPPLY AND SERVICES

Resolution

Existing Conference Committees on Energy

Management and Metric Conversion

St. John's, Newfoundland
September 9-11, 1981

R E S O L U T I O N

Existing Conference Committees on Energy Management and Metric Conversion

Previous sessions of the Conference of Ministers and Deputy Ministers constituted working committees to deal with Metric Conversion and Energy Conservation and Management.

The committees have representation from technical officials from Public Works and Government Services Departments from all of the provinces, territories and the federal government.

The Intergovernmental Committee for Metric Conversion in Design and Construction has largely completed its work. This committee does not feel it is necessary to meet on a regular basis, but it should still remain in being to correspond on matters of concern in the conversion program and be available should further meetings become necessary. Public Works Canada has provided the Secretariat services to this committee and will continue to do so as necessary.

The Intergovernmental Energy Management Committee has held meetings in various centres throughout the country over the past year. The committee has produced guidelines for Energy Conservation and Management in Building Design, Operations, Standards and Leasing. The committee recommended to the Conference that each province and the federal government should consider the guidelines within their own jurisdiction and adopt the guidelines wherever possible.

With regard to the leasing, some considerable work remains to be done before clear recommendations can be formulated. The committee feels that it will be at least another year before its work can be completed and therefore the committee should remain in existence for that period.

Public Works Canada also provides Secretariat services for this committee and has agreed to continue to provide the Secretariat services for that period.

It was therefore moved by the Conference on Wednesday, September 9, 1981, that the committee remain in existence for another year. This was adopted unanimously for recommendation to the Ministers for approval.

With regard to the leasing the following considerations were adopted unanimously for the consideration and approval of the Ministers in principle.

1. That all jurisdictions, provincial, territorial and federal, as a matter of policy, wherever possible and practicable, give preferential consideration to proposals to lease space in those buildings which are shown to be energy efficient.
2. That all jurisdictions introduce into their leasing programs, wherever possible and practicable, covenants which encourage the reduction in consumption of energy.
3. That a more aggressive approach be followed in developing alternative mechanisms, by tasking their departments to present to the Conference of Ministers in 1982, proposals for achieving this end. These proposals will have to be evolved by close coordination and cooperation between the governmental leasing agents, energy conservation officials, engineers and forceful negotiations with the associations representing the building owners in the private sector.

CONFERENCE FEDERALE-PROVINCIALE DES MINISTRES ET DES SOUS-MINISTRES
DES TRAVAUX PUBLICS ET DES APPROVISIONNEMENTS ET SERVICES

Résolution

Les comités de la Conférences sur la gestion des programmes énergétiques
et sur la conversion au système métrique

Saint-Jean (Terre-Neuve)
Du 9 au 11 septembre 1981

R É S O L U T I O N

Les comités de la Conférence sur la gestion des programmes énergétiques et sur la conversion au système métrique

Au cours de séances antérieures de la Conférence des ministres et des sous-ministres, des comités d'étude ont été chargés des questions de la conversion au système métrique ainsi que de l'économie de l'énergie et de la gestion des programmes énergétiques.

Ces comités regroupent des experts techniques des ministères des Travaux publics et des Services gouvernementaux de toutes les provinces, des territoires et du gouvernement fédéral.

Le Comité intergouvernemental des études et de la construction a en grande partie terminé ses travaux. À son avis, il n'y a pas lieu de se réunir régulièrement, mais il devrait tout de même continuer à exister pour pouvoir répondre aux questions relatives au programme de conversion et être disponible si d'autres réunions s'avèrent nécessaires. Travaux publics Canada a assuré les services de secrétariat au comité et continuera de le faire au besoin.

Le Comité intergouvernemental de gestion des programmes énergétiques s'est réuni à divers endroits au pays au cours de l'année dernière. Il a élaboré des lignes directrices relativement à l'économie d'énergie et à la gestion des programmes énergétiques dans les plans d'habitation, l'exploitation, les normes et la location des édifices. Il a recommandé à la Conférence que chaque province et le gouvernement fédéral adoptent ces lignes directrices dans leur propre administration et qu'ils les appliquent dans la mesure du possible.

Pour ce qui est de la location, il lui reste encore beaucoup à faire avant d'être en mesure de formuler des recommandations précises. Le comité estime qu'il lui faudra au moins encore un an pour terminer ses travaux et par conséquent, qu'il devrait continuer à exister pendant cette période.

Travaux publics Canada assure également les services de secrétariat à ce comité et il a accepté de continuer de le faire pendant cette période.

Par conséquent, la Conférence propose, le mercredi 9 septembre 1981, que le Comité continue d'exister pendant un an. La proposition est adoptée à l'unanimité et elle sera soumise aux ministres à titre de recommandation, pour qu'ils l'approuvent.

Quant à la question de la location, les recommandations suivantes ont été adoptées à l'unanimité, et elles seront soumises aux ministres pour qu'ils donnent leur approbation de principe.

1. Il est recommandé que toutes les administrations provinciales, territoriales et fédérales étudient en priorité, par principe, les propositions visant la location de locaux dans les édifices où la consommation d'énergie est faible.
2. Il est recommandé que toutes les administrations incorporent à leurs programmes de location, chaque fois que cela est possible, des dispositions incitant les locataires à réduire la consommation d'énergie.
3. Il est recommandé qu'une méthode plus dynamique soit adoptée pour l'élaboration de solutions de rechange, et que les ministres chargent leur ministère de présenter à la Conférence des ministres de 1982 des propositions en ce sens. Celles-ci devront résulter d'une collaboration et d'une coordination étroites entre les responsables gouvernementaux de la location, les fonctionnaires chargés de l'économie de l'énergie et les experts techniques, de même que d'intenses négociations avec les associations représentant les propriétaires d'édifices du secteur privé.

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FEDERAL-PROVINCIAL CONFERENCE OF MINISTERS AND DEPUTY MINISTERS
OF THE DEPARTMENTS OF PUBLIC WORKS AND SUPPLY AND SERVICES

Press Communiqué

St. John's, Newfoundland
September 9-11, 1981

St. John's, Newfoundland
September 11, 1981

Hon. Haig Young, host of the Annual Conference of Ministers and Deputy Ministers of Public Works, Supply and Services said today that Ministers and senior officials from across the country have greatly benefitted from a mutual exchange of ideas and information during their three days of meetings.

One of the main items discussed during the Conference was the concept of a National Co-operative Supply Agency. This concept is indeed a very provocative subject for discussion and study papers which have been prepared to date have been extremely beneficial in assessing various approaches to the establishment of such an agency.

The position of most of the provinces is that this concept is sound in principle and merits further consideration.

Three NCSA options have been explored. They are, briefly:

1. An Information Agency
2. A Facilitating Agency
3. A Contracting Agency

It is the position of most of the provinces that options 2 and 3 could place restrictions on provincial procurement practices and add troublesome bureaucratic steps to the procurement process.

In light of these concerns, and in recognition of the importance of this issue, the provinces agree to pursue further dialogue on the Information Agency option.

As three-quarters of the public purchasing in Canada is in the provincial and municipal realm, the provinces are greatly interested in developing information to assist Canadian suppliers to the public sector. At the same time, the provinces acknowledge that public procurement is one aspect of the industrial development challenge facing our country and must be supportive of overall development initiatives undertaken by the provinces individually and together.

Consequently, the provinces recommend that the federal proposal for an Information Agency be discussed together with the federal government's recent announcement of new private sector procurement measures (through an office of Industrial Benefits) at a joint meeting of Federal and Provincial Supply and Ministers from Industry or Development as may be appropriate in the individual provinces.

CONFERENCE FEDERALE-PROVINCIALE DES MINISTRES ET DES
SOUS-MINISTRES DES TRAVAUX PUBLICS ET DES APPROVISIONNEMENTS ET SERVICES

Communiqué de presse

Saint-Jean (Terre-Neuve)
du 9 au 11 septembre 1981

L'honorable Haig Young, hôte de la Conférence annuelle des ministres et des sous-ministres des Travaux publics et des Approvisionnements et Services a déclaré aujourd'hui que les échanges de vues et d'informations que les ministres et les hauts fonctionnaires ont eu au cours des trois derniers jours leur ont été fort profitables.

Entre autres sujets important abordés durant la conférence, il a été question de la création d'une Coopérative d'achat nationale. Cette proposition constitue sans contredit un sujet de discussion très intéressant et les documents de travail rédigés jusqu'à maintenant se sont avérés très utiles dans l'évaluation des diverses solutions pour la création d'un tel organisme.

La plupart des provinces ont convenu que cette idée est valable en principe et qu'elle mérite une étude plus approfondie.

Trois possibilités ont retenu l'attention:

1. un organisme d'information
2. un organisme de coordination
3. un organisme d'achat

Presque toutes les provinces se sont entendues pour dire que les solutions 2 et 3 pourraient restreindre les pratiques provinciales en matière d'achat et qu'elles pourraient ajouter des étapes bureaucratiques inutiles au processus global.

A la lumière de ces préoccupations, et compte tenu de l'importance de cette question, les provinces ont accepté de poursuivre le dialogue sur la création d'une coopérative d'achat nationale.

Comme les provinces et les municipalités effectuent les trois-quarts des achats publics au Canada, les provinces sont très intéressées à rassembler des renseignements qui aideront les fournisseurs des fonctions publiques canadiennes. De plus, les provinces conviennent que les achats publics constituent un des aspects du déficit qui se pose à notre pays en matière de développement économique et qu'ils doivent appuyer les initiatives individuelles et collectives des provinces dans ce domaine.

Par conséquent, les provinces recommandent que la proposition fédérale de création d'un organisme d'information soit étudiée, de même que l'annonce récente, par le gouvernement fédéral, de nouvelles mesures d'achat qui favorisent le secteur privé (par l'intermédiaire d'un bureau des avantages industriels), au cours d'une réunion fédérale-provinciale des ministres des Approvisionnement et Services, et de l'Industrie ou du Développement, selon le cas.

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Agriculture
Canada

from the office of the Hon. Eugene F. Whelan
Minister of Agriculture

830-98/011

OCTOBER 16 OCTOBRE

NOTES FOR AN ADDRESS TO THE OPENING OF THE 37TH
FEDERAL-PROVINCIAL AGRICULTURE MINISTERS'
MEETING, LETHBRIDGE, ALBERTA

RELEASE TIME: MONDAY, JULY 13, 1981

PLEASE CHECK AGAINST DELIVERY



We meet today in the absence of the man who has probably had more to do with the planning of this meeting than any of us. It was with a great shock and a sense of loss that I learned of the death a week ago of Dr. James O'Donoghue, Deputy Minister of Agriculture for Alberta.

Jim gave a lifetime of service to Canadian agriculture, first with the federal department, then with the Alberta Agriculture Department and, since 1975 as deputy minister. He will be sorely missed.

I know you will all join me in expressing our deepest sympathy to his wife and daughter.

I want to thank Dallas Schmidt and the Alberta Agriculture Department for inviting us to hold our meeting here this year.

My first experience with this beautiful southern Alberta countryside was on a harvest excursion when I was just a teenager. We spent 42 days helping the Alberta farmers harvest their crops and I was impressed then, as I have been ever since, with the productivity of the land. It was an education for a young Canadian that no schooling could match. I have also seen a lot of this area since I was first appointed to the Cabinet nearly nine years ago. I have met with a number of farm groups and service clubs in the area and also had several opportunities to visit departmental research facilities in Lethbridge. The Lethbridge Research Station is second only to our research headquarters in Ottawa in size. In fact, if you include the 42,000-acre ranch at Manyberries, there is more Agriculture Canada land in Alberta than any place else in the country.

You have laid on an interesting program for us and I am sure we will all enjoy Wednesday's bus trip to Edmonton when we will have a chance to look at both federal and Alberta agriculture projects along the way.

We must not forget, however, that we are here to do business and I am sure you will all agree with me when I say that we meet at one of the most critical times, as far as Canadian agriculture is concerned.

Inflation in general, and record high interest rates in particular, have put severe strains on the industry. We have all had first-hand experience of it through the letters and telephone calls we have had from farmers who have been forced out of business by the high cost of money. Livestock producers have suffered the most, although pork prices are better now. I have appealed to the banks to be flexible in dealing with farmers and their response has been positive. I hope soon to amend the Farm Credit Act to get more money for farmers at fixed rates.

My remarks will be brief. We have a very full agenda and I can't recall ever facing an agenda with so many items that are critical to the future of agriculture in Canada. We have our work cut out for us.

I see that Mr. Garon has raised the issue of national marketing boards, which is surely one of the most important things we must agree on if producers are to operate in an orderly market with some security of income.

The Economic Council's report on marketing boards is also on the agenda and we will all have the chance to question Dr. Slater. I don't propose to say much about it now. I expressed my views on the report at some length when I spoke to the Ontario Pork Congress recently.

What bothers me most about the report is that it has given Canadian consumers the impression that they have been poorly served by the agriculture industry -- that they have been ripped-off by farmers who have become rich at their expense.

Just the opposite is the case, of course. Canadian consumers have had the benefit of extremely reasonable food prices, made possible by the remarkable productivity and efficiency of this country's farmers.

The cost-of-production formulas, under which the producers of supply-managed commodities operate, have served to keep food prices in line with real input costs. In fact, consumer prices for those commodities have increased at a lower rate over the past decade than prices for commodities sold on the so-called "free market". In the last ten years the price index for dairy products, eggs, chickens and turkeys increased less than the Consumer Price Index for all food.

I have put agricultural chemicals on the agenda because they are vital to farming all across the country and I believe that close co-operation between the federal and provincial governments is necessary both in the regulation of pesticides and herbicides and in the education of those who use them.

The chemical revolution will undoubtedly continue. Without pesticides, food would become more expensive, more difficult to produce and quality would decline. My department regulates almost 5,000 registered pesticide products in Canada today. It is a heavy responsibility. We need the help of experts in the provinces, the universities and other government

agencies to keep pace with the new information that is constantly becoming available.

My departmental officials and I feel that pesticides should not be our only line of defence against insects, weeds and disease in farmers' fields. Non-chemical means of control should be used wherever possible. And we are making progress in research efforts in that direction. Pesticide use in some areas, such as controlling the codling moth in apple orchards, has been reduced by as much as 50 per cent through integrated pest management -- pesticides, good cultural practices and biological controls.

No one can provide iron-clad assurances that every pesticide is completely safe. They are poisons. They have to kill living organisms to be effective. Public concern about the safety of pesticides is understandable. I share that concern. And so, I believe, do all Canadian farmers. After all, they must handle these chemicals and like their urban counterparts they need assurances that the food they eat is clean, safe and wholesome.

Our decisions on pesticides cannot be swayed by media outbursts or angry letters from environmental organizations. We will continue to be guided by facts, not emotions.

As agriculture ministers we are all very much aware of the importance of the soil base to our industry and to our national economy. Land is basic to our future supplies of food, our export sales and our entire economic and social development.

Without in any way infringing on the provincial responsibility for land use, I believe there is a very important and legitimate federal role in research into the maintenance of soil productivity and quality to make sure that Canadian agriculture remains viable and efficient.

In the past, research has contributed enormously to increased productivity from our land through studies of fertilizers, water conservation, cultivation practices, irrigation and drainage. Farmers and governments alike are becoming increasingly concerned about basic land problems, such as loss of fertility, erosion, the spread of salinity and the loss of agricultural land to urbanization.

The Canadian Agricultural Services Co-ordinating Committee has recommended that we set up a Strategy for Land Resource Research to maintain and improve the quality of our farm land base.

Agriculture Canada recognizes the need for such research and will co-operate with the provinces in an integrated program that would involve maintenance and improvement of soil quality and productivity, an acceleration of a basic soils inventory, better definition of climatic factors affecting production, evaluation of the agricultural capability of lands and an integrated soil information system for assessing and making decisions about land use.

I also want to comment briefly on World Food Day which will be observed for the first time on October 16, the anniversary of the founding of the United Nations' Food and

Agriculture Organization at Quebec City in 1945. That was the same year that the federal and provincial agriculture ministers held their first joint meeting, such as this.

Canadians have been deeply involved in international food aid programs and in agricultural development for many years. I am sorry that Gerry Vogel won't be here to take part in Canada's participation in what will be a world-wide effort to alert the public to the gravity of the world food situation.

Mr. Vogel's inspirational talk in Ottawa last December has resulted in a truly grass-roots, national campaign. World Food Day will actually span several weeks of activities at all levels -- federal, provincial, municipal and community -- covering everything from special newspaper supplements to seminars and church suppers.

I am sure that you are all giving your provincial committees your full support.

We also have on the agenda for this meeting an update on agricultural development prospects. Senior officials of my department have looked at the potential for the development of the agri-food industry over the next couple of decades and into the long-term future. The agri-food industry touches the lives of all Canadians and it is important in all provinces and regions. It also has one of the best growth potentials of any industrial sector in the next 20 years.

We have looked at the need for food -- the expanding world population, the growth of markets in the Third World, the

changing diets and lifestyles of Canadians. And we conclude that the future is very bright.

However, as you know, there are problems to face before this expansion is possible -- our limited land base, rising energy costs, climatic change, world price fluctuations and our transportation system, to name just a few.

We in the federal government are bringing forward proposals to overcome these constraints and build the agri-food industry through market development, strengthening the resource base, and more market-oriented research.

This is just the barest outline. I am sure you will find it an interesting concept. And, of course, we will need the full co-operation of all the provinces. The potential for growth in the agriculture industry is exciting. Canada is in a unique position to be a world leader in food production and agricultural development in the balance of this century and beyond.

There is potential for participation by all regions and all segments of the industry as we build up our food-producing capacity. I look forward to a lively discussion when we reach that item on the agenda and I will be most interested to hear your views.

My final comments will be on what I consider the most important item on our agenda. "Stabilization" is on the agenda at the request of Manitoba, but I am sure we all feel it is one of the chief reasons we are here this week. If we do nothing else at this meeting except produce a harmonization of stabilization programs, our time will have been well spent.

The recent problems in implementing the 1980-81 federal hog stabilization program should serve to drive home to all of us the necessity of setting up a national stabilization system that treats all producers equally.

I served notice when I announced changes in the hog program a few weeks ago, that, in future, there will be no more piggy-backing of federal and provincial stabilization plans. I feel strongly that that is necessary. We know the difficulties caused when we find that our farmers have to compete against foreign treasuries when food products are subsidized on world markets. Surely farmers in one province shouldn't have to compete against provincial treasuries in other provinces within their own country.

It is natural that provincial governments want to help producers when they need assistance. It is also true that provinces have chosen a number of different types of programs. But I refuse to believe that we can't work out a national stabilization program that will give producers the security they need and yet treat them all equally as Canadians.

I look forward to our discussions and I am confident that by the end of the week we will have found co-operative ways to assist the agri-food industry for the benefit of all producers. In doing so, we can make Canada a stronger nation.

Thank you.

FEDERAL-PROVINCIAL CONFERENCE
OF AGRICULTURE MINISTERS

Notes for a Speech

David W. Slater
CHAIRMAN

ECONOMIC COUNCIL OF CANADA

Lethbridge/Edmonton
(Alberta)
July 14-16, 1981

IT IS A PRIVILEGE FOR ME TO BE HERE TODAY. I KNOW, TOO, THAT IT WILL BE A PLEASANT AND EDUCATIONAL EXPERIENCE. WHEN GAETAN LUSSIER ASKED ME TO ADDRESS YOU ON YOUR BEHALF SOME EIGHT WEEKS AGO - ABOUT FOUR WEEKS BEFORE THE COUNCIL'S REPORT REFORMING REGULATION WAS ISSUED - I REALIZED INSTANTLY THAT THIS WAS AN INVITATION WHICH COULD NOT BE REFUSED. ON HEARING OF THIS VISIT, MY FRIENDS AND COLLEAGUES HAVE BEEN QUICK TO OFFER SUGGESTIONS - TO PURCHASE A BULLET-PROOF VEST AND AN ARMoured CAR FOR PROTECTION, OR A VERY LARGE HAT AND COWBOY BOOTS FOR COSMETIC EFFECT. OTHERS REGALE ME WITH BIBLICAL STORIES OF CHRISTIANS AND LIONS. STILL OTHERS SUGGEST I SHOULD ENGAGE IN DIVERSIONARY TACTICS, BY TALKING ABOUT EVERYTHING EXCEPT AGRICULTURE AND THE CHAPTER ON DIRECT REGULATION IN AGRICULTURE. WHILE ACKNOWLEDGING THAT ALL SUCH ADVICE HAS BEEN WELL MEANT, THOUGH NOT VERY USEFUL, I DECIDED THAT IT WAS BEST TO TAKE ON THE DESIGNATED SUBJECT OF THE COUNCIL'S VIEWS ON REGULATION FAIRLY DIRECTLY.

I DO NOT HAVE MANY BONA FIDES THAT WILL COUNT IN AGRICULTURAL CIRCLES. BUT I CAN REPORT THAT I HAVE BEEN MARRIED A LONG TIME TO A FARMER'S DAUGHTER. AND, THOUGH I AM A CITY BOY FROM THE OUTSKIRTS OF WINNIPEG, I HAVE DONE NEARLY EVERY FARM TASK AS A YOUTH, AND I HAVE BUILT OR REPAIRED VIRTUALLY EVERY PART OF GRAIN ELEVATORS IN WESTERN CANADA, SOME OF WHICH ARE STILL STANDING.

BEFORE TURNING TO THE MAIN TOPIC, I WOULD LIKE TO SAY A FEW WORDS ABOUT THE COUNCIL AND ITS WORK. THE COUNCIL RECEIVED A RENEWED MANDATE ABOUT THREE AND A HALF YEARS AGO, THOUGH STILL UNDER ITS ORIGINAL ACT, TO MAKE A MAJOR CONTRIBUTION THROUGH A COMBINATION OF RESEARCH, ADVICE AND EDUCATION TOWARD IMPROVING CANADA'S ECONOMIC PERFORMANCE. THE COUNCIL ITSELF, CONSISTING OF UP TO 25 PART-TIME MEMBERS AND UP TO THREE FULL-TIME MEMBERS, TAKES RESPONSIBILITY FOR REPORTS, NOT THE CHAIRMAN, OR A DIRECTOR OR THE AUTHOR, OF A PAPER OR STUDY. MEMBERS OF THE COUNCIL ARE NOT JUST MEMBERS OF A BOARD OF DIRECTORS OR ADVISERS OR TRUSTEES OR EDITORS AS IN MOST OTHER RESEARCH AND ADVISORY GROUPS IN PUBLIC AFFAIRS; THEY ARE THE COUNSELLORS. PROVISION IS MADE FOR INDIVIDUAL COMMENT AND DISSENT ON THE COUNCIL'S REPORTS, BUT THAT OPPORTUNITY HAS TO BE USED SPARINGLY, OR ELSE THE VALUE OF SEARCHING FOR A MIDDLE GROUND IN MATTERS OF ADVICE ON PUBLIC POLICY WILL BE LOST. I HAVE ALSO INDICATED THAT THE MEANS OF CONTRIBUTION IS THROUGH A COMBINATION OF RESEARCH, ADVICE AND EDUCATION. IF ANY ONE OF THESE ELEMENTS IS MISSING OR IS OF POOR QUALITY, THEN THE COUNCIL'S WORK WILL NOT BE EFFECTIVE. THE COUNCIL IS NOT A PURE ECONOMIC RESEARCH BODY; ITS PRODUCT IS ADVICE OR COUNSEL, TO BE BUILT, AMONG OTHER THINGS, ON COMPETENT RESEARCH - OUR OWN AND THAT OF OTHERS.

THE COUNCIL'S WORK IS OF THREE KINDS. FIRST, UNDER ITS ACT, IT IS REQUIRED TO PUBLISH EACH YEAR, A MEDIUM-TERM "LOOK-BACK" - "LOOK-FORWARD" PIECE ON THE GENERAL ECONOMIC SITUATION OF CANADA, HENCE THE SUCCESSIVE ANNUAL REVIEWS BY THE COUNCIL, OF WHICH THE NEXT IN THE FALL WILL BE THE EIGHTEENTH. SECOND, IT IS PERMITTED TO CHOOSE, ON ITS OWN INITIATIVE, AMONG A WIDE RANGE OF ECONOMIC TOPICS. THE RECENT REPORT ON RETIREMENT INCOMES IN CANADA IS ONE EXAMPLE, AND THE REPORT ON FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS SCHEDULED FOR THIS AUTUMN IS ANOTHER EXAMPLE OF THIS TYPE OF INITIATIVE. THIRD, THE COUNCIL CAN BE ASKED, UNDER ITS ACT, TO TAKE ON SPECIAL REFERENCE STUDIES - SUCH AS THAT ON THE NEWFOUNDLAND ECONOMY PUBLISHED LATE LAST FALL AND THOSE ON REGULATION, PUBLISHED IN LATE 1979, AND RECENTLY. I HAVE BROUGHT COPIES OF AN ACTIVITY REPORT ON THE COUNCIL FOR YOUR INFORMATION.

WHILE THE REPORTS OF THE COUNCIL ARE ITS TOTAL RESPONSIBILITY, THE PUBLICATION PROGRAM OF STUDIES, WORKING AND TECHNICAL PAPERS ATTRIBUTED TO AUTHORS IS IN A DIFFERENT SITUATION. THE COUNCIL AUTHORIZES A PUBLICATION PROGRAM, BUT THE CHAIRMAN OF THE COUNCIL EXERCISES THE PROGRAM RESPONSIBILITY AFTER REFERRING FOR STUDIES AND TAKING ADVICE FOR PAPERS, AND WITH THE COUNSEL OF A PUBLICATIONS COMMITTEE, AUTHORIZES PUBLICATIONS ATTRIBUTED TO AUTHORS.

AS WE SAY IN OUR COVER-PLATES "PUBLICATION OF AN AUTHOR-ATTRIBUTED STUDY OR PAPER SIGNIFIES THAT IT IS DEEMED A COMPETENT TREATMENT WORTHY OF PUBLIC CONSIDERATION, BUT DOES NOT IMPLY ENDORSEMENT OF CONCLUSIONS OR RECOMMENDATIONS BY EITHER THE CHAIRMAN OR COUNCIL MEMBERS." WE DO NOT CLAIM THAT THE AUTHOR'S WORK IS PERFECT OR FREE OF BIAS; BUT WE DO AIM FOR HIGH PROFESSIONAL STANDARDS OF COMPETENCE AND INTEGRITY. I CANNOT DEFEND EVERY LINE OR EVERY CALCULATION OF EACH PAPER DONE FOR US IN CONNECTION WITH AGRICULTURAL TOPICS IN THE REGULATION REFERENCE, ANYMORE THAN IN ANY OTHER AREA OF WORK OF THE COUNCIL, BUT I HAVE TO TAKE RESPONSIBILITY FOR THE STANDARDS. NO MATTER HOW HARD WE TRY TO SEPARATE COUNCIL RESPONSIBILITY AND AUTHOR RESPONSIBILITY, WE NEVER QUITE SUCCEED MORE THAN MOMENTARILY - BUT THAT IS A BURDEN THAT RUNS WITH OUR MANDATE.

MY LAST PRELIMINARY COMMENTS DEAL WITH THE COUNCIL'S GENERAL INTEREST AND WORK IN AGRICULTURE. IN RECENT YEARS OUR WORK HAS BEEN SOMEWHAT SLIGHT, BUT MY INTENTIONS ARE TO DO BETTER IN THE FUTURE. ON SEVERAL OCCASIONS WE HAVE ATTEMPTED TO OVERCOME THE EXCESSIVELY NARROW FOCUS OF MUCH OF THE DISCUSSION OF THE CANADIAN ECONOMY - WHICH SEEMS TO CONCENTRATE ON ENERGY, HIGH TECHNOLOGY MANUFACTURING, SOFT MANUFACTURING SECTORS, MONEY, AND

LITTLE ELSE. WE HAVE SPOKEN OF THE MUCH BROADER BASIS OF CANADIAN ECONOMIC STRENGTH, POINTING TO AGRICULTURE IN THIS CONTEXT. WE HAVE REPEATEDLY PRESSED FOR IMPROVEMENT IN THE WESTERN CANADIAN TRANSPORTATION SYSTEM. WE HAVE SOME EXPLORATORY PAPERS ON AGRICULTURAL ISSUES UNDERWAY AT THE COUNCIL, AND EXPLORATORY WORK ON REGIONAL STUDIES ON WESTERN CANADA. FROM THESE PRELIMINARY PAPERS, ALREADY I CAN SEE A SERIES OF DIFFICULT ADJUSTMENT PROBLEMS FOR PARTS OF CANADIAN AGRICULTURE, AS WELL AS SOME OPPORTUNITIES THAT WILL BE MISSED IF AGRICULTURAL, TRANSPORTATION AND MARKETING ARRANGEMENTS ARE NOT IMPROVED, AND SOON. ONE CAN SEE ALSO THAT AGRICULTURAL POLICIES AND INSTITUTIONS, LIKE THOSE OF OTHER SECTORS IN CANADA, ARE A MIXED BAG - AND THAT THE CHALLENGES TO IMPROVE THE LOT OF FARMERS AS WELL AS HAVE REASONABLE BALANCE OF EFFICIENCY AND EQUITY TO OTHER CANADIANS ARE CONTINUING ISSUES.

ENOUGH OF PRELIMINARY REMARKS. LET ME TURN TO THE REGULATION REFERENCE ITSELF AND THEN THE COUNCIL'S CONSIDERATION OF AGRICULTURAL MARKETING BOARDS AS A FORM OF DIRECT ECONOMIC REGULATION.

ORGANIZATION OF THE REGULATION REFERENCE

THE COUNCIL AS YOU KNOW WAS ASKED BY FIRST MINISTERS ABOUT THREE YEARS AGO TO UNDERTAKE A STUDY OF

REGULATIONS IN CANADA WITH A VIEW TO ASSESSING THEIR IMPACT ON CANADA'S ECONOMIC PERFORMANCE, AND ITS INTERNATIONAL COMPETITIVENESS. AT THE REQUEST OF THE PRIME MINISTER, WE DEVELOPED A RESEARCH PROGRAM DRAWING ON THE ADVICE OF BUSINESS, LABOUR, AND IN THE CASE OF AGRICULTURE AND FOOD PROCESSING FARM GROUPS AND FEDERAL AND PROVINCIAL AGRICULTURAL OFFICIALS. WE CONTACTED OVER 100 TRADE ASSOCIATIONS AND BUSINESS INSTITUTIONS AND ULTIMATELY ESTABLISHED 12 PROJECT ADVISORY COMMITTEES, INCLUDING ONE ON AGRICULTURE AND ONE ON FOOD PROCESSING. WE CONTACTED VIRTUALLY EVERY UNIVERSITY IN CANADA AND SENT TO THE APPROPRIATE HEADS OF DEPARTMENT OR DEANS REQUESTS TO SEND IN BRIEF PROPOSALS FOR POSSIBLE RESEARCH PROJECTS INTO RELEVANT REGULATORY AREAS. A FEDERAL-PROVINCIAL CONSULTATIVE COMMITTEE WAS FORMED AND IT, ALONG WITH THE PROJECT ADVISORY COMMITTEES, HELPED TO ADVISE US ON POSSIBLE RESEARCHERS AND RESEARCH PROJECTS, AND TO VET AND MONITOR THE RESEARCH AS IT WAS PROCEEDING.

IT WAS AGREED QUITE EARLY ON THAT MUCH OF THE COUNCIL'S ATTENTION WOULD BE GIVEN TO SECTORS WHERE DIRECT ECONOMIC REGULATORY SYSTEMS WERE IN PLACE, AND THAT THE DIFFERENT TYPES OF MARKETING BOARDS, THEIR CHARACTERISTICS AND THE CONSEQUENCES OF THEIR ACTIVITIES WOULD BE INCLUDED IN THE SECTORS TO BE STUDIED. IN THIS CONNECTION IT HAPPENED THAT THE INSTITUTE FOR RESEARCH ON PUBLIC POLICY WAS ABOUT TO MOUNT A SIMILAR EXAMINATION, AND WE

SUBSEQUENTLY JOINED WITH THEM IN DEVELOPING A RESEARCH STRATEGY AND A RESEARCH TEAM WHICH WAS MANAGED THROUGH SUB-CONTRACTS BY A WELL-KNOWN AGRICULTURAL MARKETING CONSULTANT FIRM IN GUELPH.

IN THE CONSIDERATION OF THE RESEARCH, SOME OF THOSE ADVISING US TOOK NOTE OF THE REPORT OF THE FEDERAL SECTOR TASK FORCE ON THE CANADIAN FOOD AND BEVERAGE INDUSTRY OF JUNE, 1978 WHICH EXPRESSED SERIOUS CONCERN "THAT THE POLICIES AND PRACTICES OF SOME AGRICULTURAL MARKETING BOARDS HAVE ERODED THE COMPETITIVE POSITION OF CERTAIN CANADIAN PRODUCTS BOTH PRIMARY AND PROCESSED". AS THE RESEARCH WAS UNDERTAKEN, ALL OF IT WAS SEEN IN ITS VARIOUS FORMS BY MEMBERS OF THE AGRICULTURAL PROJECT ADVISORY COMMITTEE AND AS WELL IT WAS COMMENTED ON IN A SPECIAL WORKSHOP HELD SOMEWHAT OVER A YEAR AGO AT MCGILL UNIVERSITY.

THE AUTHORS OF THE RESEARCH INCLUDED A NUMBER OF PRIVATE CONSULTANTS INCLUDING A FORMER MEMBER OF THE SUPERVISORY AGRICULTURAL MARKETING BOARD IN BRITISH COLUMBIA AND SEVERAL WHO HAVE WORKED FOR AGRICULTURE CANADA. THE QUALIFICATIONS OF THE UNIVERSITY RESEARCHERS ARE IMPECCABLE, THE UNIVERSITIES RANGING FROM GUELPH, MANITOBA, UBC, REGINA, TO THE FOOD RESEARCH INSTITUTE AT STANFORD UNIVERSITY IN

CALIFORNIA. SEVERAL ARE SENIOR SCHOLARS IN THEIR FIELD AND THEIR CREDENTIALS RUN DEEP.

WE BELIEVE, AND I KNOW IRPP BELIEVES THAT THEIR CREDENTIALS ARE BEYOND DISPUTE. SOME OF THEIR FINDINGS ARE ALREADY IN THE PUBLIC DOMAIN; AND WE ARE BRINGING FORWARD THE BALANCE OF THE RESEARCH JUST AS QUICKLY AS WE CAN, BEARING IN MIND THAT AGRICULTURE WAS ONE OF MANY SECTORS STUDIED. AS TO THE COUNCIL'S OWN VIEWS, THESE WERE SHAPED NOT MERELY BY THIS RESEARCH ITSELF BUT BY BROADER PERSPECTIVES AND ADVICE FROM A VARIETY OF SOURCES.

APPROACHES TO DIRECT REGULATION IN AGRICULTURE AND OTHER FACTORS

AS YOU WILL HAVE SEEN FROM OUR FINAL REPORT, THE COUNCIL FIRMLY AND CLEARLY SUPPORTS AGRICULTURAL MARKETING BOARDS. IT BELIEVES THAT THEY HAVE CONTRIBUTED TO IMPROVED MARKETING PRACTICES, AND PROVIDED INFORMATION TO FARM OPERATORS WHICH HAS CONTRIBUTED TO INCREASED PRODUCTION EFFICIENCY, AND MORE KNOWLEDGEABLE CHOICE AMONG DIFFERENT TYPES OF OUTPUT, AND THE CAPITAL, EQUIPMENT, FEED AND FERTILIZERS USED IN THE PRODUCTION PROCESS.

THE COUNCIL ALSO SUPPORTS THE APPLICATION OF PRICE OR INCOME STABILIZATION SCHEMES FOR FARM COMMODITIES SUBJECT TO SEASONAL OR CYCLICAL INSTABILITIES. THE COMBINATION OF THE FARM CREDIT CORPORATION, AND SUCH SCHEMES AS THE AGRICULTURAL STABILIZATION ACT AND THE CANADIAN GRAIN STABILIZATION ACT OFFER INCOME SUPPORT AND SECURITY FOR FARMERS WITH RELATIVELY MINIMUM INTERFERENCE WITH NORMAL COMPETITIVE MARKET PRACTICES AND EFFICIENT CHOICE. THE COUNCIL INDEED HAS NO OBJECTION TO THE USE OF DIRECT SUBSIDIES SUCH AS THE INDUSTRIAL MILK SUBSIDY PROVIDED THESE ARE OPEN, VISIBLE, ACCEPTED AND HAVE EFFECTS WHICH ARE CONSISTENT WITH THEIR OBJECTIVES, AND DO NOT OTHERWISE HEIGHTEN THE INEFFICIENCIES WITHIN THE SYSTEM.

HOWEVER THE COUNCIL DOES BELIEVE THAT THE SUBSIDIES SHOULD BE SELECTIVELY TARGETTED, SO THAT THEY ARE NOT SIMPLY SOURCES OF ADDITIONAL INCOME DIRECTED TO LARGE VIABLE COMMERCIAL ENTERPRISES PRIMARILY, WITH THE SMALL HOLDERS RECEIVING LITTLE OR NEXT TO NOTHING. FINALLY THE COUNCIL BELIEVES IN ACCOUNTABILITY SUCH THAT IN THOSE REGULATORY AGENCIES THAT ARE ULTIMATELY RESPONSIBLE FOR FARM PRODUCTS MARKETING, AND EXERCISING IN EFFECT A SUPERVISORY ROLE OVER THE INDIVIDUAL COMMODITY BOARDS, THERE SHOULD BE A PROPER BALANCE OF RETAILERS, PRODUCERS, PROCESSOR AND CONSUMER

INTERESTS CONSISTENT WITH THE KIND OF BALANCED RELATIONSHIP THAT IS FOUND IN TRADITIONALLY COMPETITIVE MARKETS.

I SHOULD ADD THAT AGRICULTURE IS NOT ALONE IN BEING SINGLED OUT FOR THE COUNCIL'S CONCERN WITH BALANCED ACCOUNTABILITY. IN THE MATTER OF OCCUPATIONAL LICENSING, FOR INSTANCE, WE RECOMMENDED THAT FEDERAL AND PROVINCIAL GOVERNMENTS ESTABLISH AN OCCUPATIONAL REGULATION COMMISSION TO ADVISE THEM ON THE ACTIVITIES OF REGULATED OCCUPATIONS AND TO HEAR APPEALS INITIATED BY THEIR MEMBERS, OR BY THE PUBLIC AT LARGE. WE ALSO RECOMMENDED FINANCIAL SUPPORT FOR PUBLIC INTEREST GROUP INTERVENORS APPEARING BEFORE STATUTORY REGULATORY AGENCIES.

IN THE INTERIM REPORT, DECEMBER 1979, WHICH WAS ESSENTIALLY THE FINAL REPORT ON REGULATORY PROCESSES AND REGULATION OF THE REGULATORS, THE COUNCIL STRONGLY RECOMMENDED: OPENNESS; CONSULTATION IN ADVANCE OF NEW OR CHANGED REGULATIONS; COST BENEFIT AND COST EFFECTIVENESS ANALYSIS; SYSTEMATIC REVIEW AND ACCOUNTABILITY; AND PARLIAMENTARY REVIEW FOR ALL KINDS OF ECONOMIC REGULATION.

THE COUNCIL THEN IS CONSISTENT IN ITS APPROACH TO AGRICULTURAL MARKETING REGULATION AND OTHER FORMS OF TRADITIONAL DIRECT ECONOMIC CONTROLS. THE COUNCIL HAS NOT

SELECTED AGRICULTURE FOR THE APPLICATION OF COMPETITIVE STANDARDS, APPLYING OTHER STANDARDS TO OTHER AREAS. THE COUNCIL HAS TEMPERED ITS COMPETITIVE STANDARDS BY RECOGNITION OF LIMITATIONS ON THEIR APPLICATION. HOWEVER IT BELIEVES THAT COMPETITION IS THE FUNDAMENTAL ENGINE TO IMPROVED ECONOMIC PERFORMANCE AND HIGHER PRODUCTIVITY. COMPETITION PRESUPPOSES A REASONABLE BALANCE OF POWER BETWEEN SELLERS INDIVIDUALLY OR COLLECTIVELY, AND BUYERS. HISTORICALLY THE ESTABLISHMENT AND THE ROLE OF AGRICULTURAL MARKETING BOARDS IS CONSISTENT WITH THIS CONCEPT OF BALANCE.

THE COUNCIL BELIEVES THAT IF THE FREE MARKET CANNOT PROVIDE ADEQUATE INCOME AND CROP PROTECTION FOR FARMERS THAT THERE IS A ROLE FOR GOVERNMENT AND IT SUPPORTS POLICIES, AND THE USE OF DIRECT SUBSIDIES IF NECESSARY, TO MAINTAIN RELATIVE FOOD SELF-SUFFICIENCY AND THE MAINTENANCE OF THE FAMILY FARM. IT FAVOURS MEASURES THAT ARE CONSISTENT WITH NATIONAL MARKETING OF FARM PRODUCTS, THAT WOULD ELIMINATE INTERPROVINCIAL BARRIERS TO THE MOVEMENT OF AGRICULTURAL COMMODITIES. IT RECOGNIZES THE VIRTUE OF HAVING MARKETING BOARDS THAT ARE CLOSER TO THE PEOPLE AND THAT CAN EFFECTIVELY ADMINISTER INTRAPROVINCIAL MARKETING PRACTICES.

BUT IT DOES OBJECT TO LEGISLATION AND INSTITUTIONAL ARRANGEMENTS WHICH ENABLE BOARDS TO EXERCISE SUPPLY

MANAGEMENT POWERS EXCLUSIVELY, TO SET PRICES, TO CONTROL OUTPUT AND ALLOCATED BETWEEN PROVINCES AND PRODUCERS, AND TO HAVE THESE POWERS BUTTRESSED BY VERY PROTECTIONIST IMPORT CONTROLS. IT OBJECTS, IN SHORT, TO THE CREATION AND THE OPERATION OF DOMESTIC CARTELS, WHETHER THEY BE IN AGRICULTURE, URANIUM OR YOU NAME IT.

MARKETING BOARDS

UNLIKE VIRTUALLY EVERY OTHER BUSINESS, MARKETING BOARDS, AS YOU KNOW, ARE NOT COVERED BY THE COMBINES INVESTIGATION ACT. THE EXERCISE OF SUPPLY MANAGEMENT POWERS IN THEIR PRESENT FORM, WOULD BE ILLEGAL IN EVERY OTHER BUSINESS ACTIVITY.

THE RESULTS HAVE BEEN PREDICTABLE. SINCE 1975 WHEN THE CURRENT LONG-TERM DAIRY POLICY WAS ESTABLISHED AND SUPPLY MANagements POWERS ADOPTED IN THE DAIRY INDUSTRY, DAIRY PRICES HAVE RISEN BY ALMOST TWICE THE RATE OF THOSE IN THE U.S., ALTHOUGH ADMITTEDLY SOME OF THIS REFLECTS THE REMOVAL OF THE SUBSIDY ON FLUID MILK. EGG PRICES AT THE WHOLESALE LEVEL HAVE ALSO RISEN FASTER THAN IN THE UNITED STATES EVEN THOUGH THE PERCENTAGE MARGIN AT WHOLESALE IS LESS.

THERE IS ADMITTEDLY ONE POSITIVE ASPECT AND IT IS THAT (IF I TAKE THE CANADIAN EGG MARKETING AGENCY'S OWN FIGURES AS ACCURATE) THEY, AND THE VARIOUS DAIRY BOARDS AS WELL SEEM TO HAVE BEEN ABLE TO PERSUADE RETAILERS TO TAKE A VERY LOW MARK-UP, MUCH LOWER THAN SEEMS TO BE THE CORRESPONDING RETAIL MARGIN IN THE UNITED STATES. BUT YOU DON'T NEED THE CLOUT OF A CARTEL TO ACHIEVE THAT.

IT MAY BE ARGUED THAT THE BOARDS WITH SUPPLY MANAGEMENT POWERS ARE NOT A CARTEL BECAUSE THEY ARE LEGALLY BOUND TO ADHERE TO A COST OF PRODUCTION FORMULA IN ESTABLISHING PRICES AND THAT THAT FORMULA IS MADE ON THE BASIS OF MEDIUM TO LARGE - THOUGH NOT THE LARGEST - SIZE OPERATIONS. BUT THOSE PRODUCTION FORMULAS HAVE A SIZEABLE JUDGMENTAL COMPONENT AND IT SEEMS CLEAR TO ME FROM THE SIZE OF THE QUOTA VALUES IN VARIOUS PROVINCES THAT THAT JUDGMENTAL FACTOR HAS NOT BEEN FINELY ENOUGH HONED TO REFLECT PRODUCTIVITY IMPROVEMENTS AND THAT THE TARGET PRICES ESTABLISHED ARE HIGHER FOR A GIVEN AMOUNT OF SALES THAN COMPETITIVE CONDITIONS WOULD WARRANT.

I AM TOLD, FOR INSTANCE, THAT IN ONTARIO, A PROVINCE IN WHICH QUOTA VALUES FOR THE SUPPLY MANAGED PRODUCTS ARE RELATIVELY MODEST, THE CAPITAL COST OF QUOTAS

TO SELL THE OUTPUT OF A ONE-MAN PRODUCTION UNIT WERE, IN EARLY 1981, MILK \$100,000, TURKEYS \$250,000 AND EGGS AND BROILER CHICKENS HALF A MILLION. NOW THAT'S A HANDSOME WINDFALL INDEED FOR FIRST-TIME-AROUND OPERATORS WHO RECEIVED THE QUOTAS. AND, TAKING ACCOUNT OF THE OTHER INITIAL EXPENSES IN ACQUIRING A FARM AND STOCK AND EQUIPMENT, IT REPRESENTS A SEVERE IF NOT PROHIBITIVE ENTRY BARRIER FOR YOUNG PERSONS WANTING TO GET INTO THE BUSINESS.

QUOTA VALUES AND COMPETITIVE PRICES

PUTTING ASIDE FOR A MOMENT THE QUESTION OF MEASURING THE VALUE OF QUOTAS, WE MUST FACE THE FUNDAMENTAL QUALITATIVE ISSUE - THE CONNECTION BETWEEN QUOTA VALUES AND ECONOMIC RENTS CREATED BY SUPPLY AND PRICE MANAGEMENT IN A PROTECTED MARKET. IT IS OUR CONTENTION THAT THE MANAGEMENT CAN, AND IN CERTAIN CASES IN CANADA HAS, CREATED OR CAUSED SUBSTANTIAL ECONOMIC RENTS WHICH ARE THE BASIS OF THE QUOTA VALUES. WE CONTEND ALSO THAT THE PEOPLE WHO RECEIVE THESE RENTS WHEN THEY ARE CREATED, RECEIVE A RETURN OVER AND BEYOND A COMPETITIVE RETURN FOR THE FACTORS OF PRODUCTION USED IN AGRICULTURE EVEN AFTER ALLOWING FOR HIGHER RETURNS TO BETTER QUALITY LAND, LABOUR, MANAGEMENT, INNOVATION, ETC. WE AGREE THAT THESE RENTS MAY BE, AND OFTEN ARE, AT LEAST PARTIALLY CAPITALIZED IN THE FORM OF VALUE OF QUOTA RIGHTS THEMSELVES.

I HAVE TRIED VIRTUALLY EVERY THEORETICALLY POSSIBLE SCHEME TO SQUARE THE CIRCLE, THAT IS TO RECONCILE LARGE QUOTA VALUES WITH AVERAGE PRICES OF AGRICULTURAL PRODUCTS THAT ARE COMPATIBLE WITH LONG-RUN COMPETITIVE MARKET CONDITIONS FOR THE PRODUCTS AND FOR THE FACTORS OF PRODUCTION EMPLOYED IN PRODUCING THESE COMMODITIES. DIFFERENTIAL QUALITY OF LABOUR, OF MANAGEMENT, OF TECHNIQUE, AND OF LAND CAN AND SHOULD PROVIDE THEIR OWN REWARD - QUOTAS ARE NOT NECESSARY FOR THEIR REALIZATION. QUOTA VALUES ARE NOT A PROPER PROXY FOR DIFFERENTIAL QUALITY. HAVING VALUED THEIR INPUTS ON OPPORTUNITY COSTING BASIS, LOWER COST PRODUCERS OF A COMMODITY SHOULD REPLACE HIGHER COST PRODUCERS. I CAN SEE NO ECONOMIC JUSTIFICATION FOR EXTORTING AN EXPANSION FEE FROM THE LOWER COST PRODUCERS - BY FORCING THEM TO BUY QUOTA FROM HIGHER COST PRODUCERS - AND THUS KEEPING UP THE OVERALL LEVELS OF COSTS.

I FIND IT DIFFICULT TO BELIEVE THAT VARIOUS ACCOUNTING FIRMS THAT ARE AVAILABLE FOR HIRE ARE BETTER JUDGES OF WHAT CONSTITUTES A FARMER'S COSTS THAN GOOD FARMERS; OR THAT GOOD FARMERS ARE SUBJECT TO AN INHERENT MYOPIA BY WHICH THEY CONSISTENTLY UNDERESTIMATE THEIR COSTS. I DO NOT FIND IT AT ALL DIFFICULT TO CONCEIVE OF WAYS IN WHICH THE COST FORMULAE OF ACCOUNTANTS IN A FIELD WHICH IS

ESSENTIALLY AN ART CAN OVERESTIMATE THE COSTS OF THE BEST QUARTILE OF FARMERS, AND THUS SHOW A PRICE JUSTIFICATION WHEN NONE EXISTS. THE BEST LONG RUN-TEST IS NOT THE FORMULA, BUT WHETHER THE QUOTA VALUES GROW SIGNIFICANTLY IN PROPORTION TO THE PRICE OF THE PRODUCT. AS TO EQUITY, I CAN SEE NO SPECIAL MORAL CASE FOR GIVING WEALTH TO HIGHER COST FARMERS AT THE EXPENSE FOR EXAMPLE OF SINGLE PARENTS WITH INCOMES NOT MUCH ABOVE THE POVERTY LINE.

VALUATION OF QUOTAS

WE HAVE BEEN TAKEN TO TASK BY THE CFA AND OTHERS FOR CITING FIGURES GIVING THE AGGREGATE VALUE OF SOME OF THE QUOTAS ON THE GROUNDS THAT IT IS FALLACIOUS TO TAKE THE PRICE OFFERED BY EFFICIENT FARMERS FOR ADDITIONAL QUOTA, MULTIPLY THAT ACROSS THE OUTSTANDING AGGREGATE AMOUNT OF QUOTA AND ASSUME THAT THAT IS EITHER A MEASURE OF THE EXCESS RETURNS TO PRODUCERS OR THE EXCESS COST TO CONSUMERS. WE ACKNOWLEDGE THAT THAT METHOD IS NOT A PRECISE PROXY FOR THE ADDITIONAL MONOPOLY RENTS INHERENT IN SUPPLY MANAGEMENT SCHEME, BUT WE SAY THAT IT IS A PRETTY GOOD PROXY. IT IS IN EFFECT THE EQUIVALENT OF WHAT BUSINESSMEN DO EVERY DAY WHEN THEY TAKE A TOTAL VALUE MEASURE OF OUTSTANDING SHARES AND IT ASSUMES, OF COURSE, THAT THERE WILL BE MORE OR LESS CONSTANT

TURNOVER OF SHARES, OR IN THIS CASE OF QUOTA. OF COURSE, IF EVERY FARM OPERATOR RUSHES OUT TO SELL HIS QUOTA THE VALUE WILL BE DRIVEN DOWN TO NEXT TO NOTHING, JUST AS WOULD BE THE CASE WITH THE ASSET VALUE OF STOCKS IF SHAREHOLDERS ALSO PANICKED. BUT THAT'S NOT VERY LIKELY. AND IT CERTAINLY IS NOT WHAT WE'RE RECOMMENDING WHEN WE URGE THAT PRICES AND OUTPUT BE EXPANDED GRADUALLY OVER A 5 TO 10 YEAR PERIOD TO ENABLE QUOTA VALUES TO FALL TO REASONABLE LEVELS.

NOR ARE WE SAYING THAT QUOTA VALUES SHOULD FALL TO ZERO. WE KNOW VERY WELL THAT THEY HAVE A POSITIVE VALUE FOR A VARIETY OF FACTORS INCLUDING THE BENEFITS THEY BESTOW IN TERMS OF CONTINUITY AND SURETY OF INCOME AND THE FACT THAT THEY ARE SUBSTANTIALLY TAX DEDUCTABLE. MOREOVER IN CASES WHERE THE QUOTA IS LINKED TO THE FARM THERE WILL BE AN INTERRELATIONSHIP WITH THE LAND PRICES. BUT EVEN TAKING ACCOUNT OF ALL OF THESE ELEMENTS THERE IS NO DOUBT IN MY MIND THAT A VERY SUBSTANTIAL PORTION OF THAT TOTAL VALUE OF QUOTA REPRESENTS RATES OF RETURN TO FARM OPERATORS THAT EXCEED NORMAL COMPETITIVE RETURNS, INCLUDING QUALITY DIFFERENTIALS FOR INPUTS AND MANAGEMENT, SPRINGING DIRECTLY FROM THE APPLICATION OF SUPPLY MANAGEMENT POWERS.

LONGER-RUN EFFECTS OF EXCESSIVE SUPPLY RESTRICTION

WHAT CONCERNS ME MOST AND WHAT I BELIEVE CONCERNS THE FEDERAL MINISTER OF AGRICULTURE, AND SOME OF YOU AS WELL, IS NOT SO MUCH THE ONE-TIME TRANSFER GOING MOSTLY TO THE LARGE SCALE OPERATORS, BUT RATHER THE LONG RUN PRICE-RAISING EFFECTS THAT ARE BUILT INTO THE SCHEME. I KNOW THAT QUOTA VALUES ARE EXCLUDED FROM THE COST OF PRODUCTION FORMULA. BUT OVER TIME, DON'T THINK FOR A MOMENT THAT THEY WON'T CREEP IN THROUGH THE ADDITIONAL OUTSTANDING DEBT SERVICE CHARGES CONFRONTING NEW ENTRANTS INTO THE BUSINESS. HAVING PAID THEIR WAY IN, THEY ARE NATURALLY GOING TO EXPECT AN ADEQUATE RETURN ON THEIR INVESTMENT, AND PRICES THAT PRESERVE IF NOT ENHANCE THE ASSET VALUE OF THEIR OWN QUOTA. DIRECTLY, OR MORE LIKELY INDIRECTLY, THE COST OF PRODUCTION FORMULAE WILL HAVE TO REFLECT THIS FACT, OR BE CONSISTENT WITH THIS FACT.

SO WE SAY THAT IN THIS GAME THINGS CAN ONLY GET WORSE, AND THAT THE TIME TO BITE THE BULLET OF REFORM IS NOW. WE ARE NOT SAYING, I REPEAT, DO AWAY WITH THE DAIRY, EGG AND POULTRY MARKETING BOARDS. WE ARE SAYING RE-EXAMINE THEIR POWERS AND THEIR ROLE. WE ARE NOT EVEN SAYING DO AWAY WITH THEIR RIGHT TO ALLOCATE QUOTA. ON A NATIONAL BASIS

THERE MAY WELL BE GROUNDS FOR DETERMINING AGGREGATE QUOTA THAT ARE CONSISTENT WITH OBSERVABLE DEMAND CONDITIONS. WE ARE URGING AN EASING OF RELATIVE PRICES AND OVER THE LONGER TERM AN EXPANSION OF QUOTA TO ACCOMMODATE THE INCREASED SALES THAT MAY BE EXPECTED. WE ARE ALSO SUGGESTING THAT QUOTAS SHOULD BE FREELY TRANSFERABLE WITHIN AND BETWEEN PROVINCES SO THAT YOU DO NOT GET THE LUDICROUS SITUATION THAT NOW APPLIES IN THE CASE OF INDUSTRIAL MILK, WHERE SURPLUS QUOTAS IN ALBERTA CANNOT BE PURCHASED IN, SAY, ONTARIO OR QUEBEC, WITH THE RESULT THAT SUPPLY IS FURTHER CONSTRICTED. AND, IF THE DOMESTIC MARKET IS TO BE PRESERVED, WE HAVE URGED THE SUBSTITUTION OF TARIFFS FOR IMPORT QUOTAS WHEREVER THIS IS FEASIBLE, SINCE TARIFFS ARE LESS RESTRICTIVE, AND FORCE DOMESTIC PRODUCERS TO AT LEAST MAINTAIN THE SAME PACE OF PRODUCTIVITY IMPROVEMENTS AS DO THEIR COMPETITORS ELSEWHERE.

WE BELIEVE THE RECOMMENDATIONS WE HAVE ADVANCED SERVE NOT ONLY THE CONSUMER, BUT FARMERS AS WELL. IN THE LONG RUN IT IS IMPORTANT THAT THEY MAINTAIN THEIR PRODUCTIVITY AND COMPETITIVENESS. ON A PER CAPITA BASIS AS YOU WELL KNOW, CONSUMPTION OF MILK AND EGGS HAS BEEN DECLINING. IN THE LONG RUN MOST CARTELS PROVE SELF-DEFEATING BY PRICING THEIR PRODUCT IN SUCH A WAY AS TO ENCOURAGE THE USE OF

SUBSTITUTES. THAT CAN HAPPEN WITH FARM PRODUCE, NO LESS THAN ENERGY. THERE ARE ALREADY MILK SUBSTITUTES ON THE MARKET AND I NOTED JUST THE OTHER DAY THAT IN WISCONSIN RESEARCHERS WANT TO USE BIOGENETIC MEANS TO MAKE CASEIN SO AS TO SUPPLY MILK PROTEIN TO PEOPLE IN THE THIRD WORLD WHO CANNOT AFFORD COWS.

THE CHALLENGE

THE CHALLENGE TO ALL OF US IS TO FIND WAYS OF MANAGING AND TO FIND DEGREES OF INTERVENTION IN AGRICULTURE THAT ARE GOOD, FROM THE POINT OF VIEW OF BOTH AGRICULTURAL INTERESTS AND THE CONSUMER, IN A NON-UTOPIAN WORLD. CONSIDERING THE PROBLEMS OF INSTABILITY, AS WELL AS BARGAINING POWER AND MARKET DEVELOPMENT THIS MAY WELL INVOLVE SOME CONTINUED USE OF SUPPLY MANAGEMENT AS PART OF THE SET OF POLICIES (ALONG WITH INCOME STABILIZATION, YIELD INSURANCE, FORWARD CONTRACTING, ETC.) FOR SOME COMMODITIES. NO ONE SHOULD UNDERRATE THE PROBLEMS OF SUPPLY MANAGEMENT, ESPECIALLY IN PURSUING STABILIZATION OBJECTIVES, NOR DISMISS ALTERNATIVE APPROACHES, EVEN FOR POULTRY, EGGS AND MILK.

BUT WE ARGUE THAT, IN ADDITION TO THESE CONSIDERATIONS, SPECIAL CARE SHOULD BE TAKEN TO GUARD AGAINST LONGER

RUN POLICIES OF SUPPLY RESTRICTIONS THAT WILL DRIVE UP THE TREND OF PRICES ABOVE COMPETITIVE LEVELS, AS WE BELIEVE TO BE THE CASE FOR POULTRY, EGGS AND MILK. MOREOVER, FOR OTHER COMMODITIES, SUCH AS BEEF, THE DIFFICULTIES OF A SUPPLY MANAGEMENT APPROACHES (AS PART OF A POLICY PACKAGE) MAY WELL BE GREATER, THE ATTRACTIONS LESS, AND THE COSTS TO THE COMMUNITY AT LARGE GREATER IN THE LONG RUN.

WE ARE NOT ARGUING FOR LAISSEZ-FAIRE IN THE BEEF INDUSTRY ANYMORE THAN FOR OTHER AGRICULTURAL COMMODITIES. BUT WE ARE ARGUING THAT THE STANDARDS OF A COMPETITIVE MARKET SHOULD NOT BE ABANDONED LIGHTLY. AND WE ARE ARGUING THAT METHODS OTHER THAN SUPPLY AND PRICE MANAGEMENT IN A PROTECTED MARKET BE EXPLORED AS WAYS OF DEALING WITH AGRICULTURAL PROBLEMS.

SUMMARY OF COUNCIL'S VIEW ON AGRICULTURAL MARKETING BOARDS

LET ME CONCLUDE BY BRIEFLY SUMMING UP THE COUNCIL'S POSITION ON AGRICULTURAL MARKETING BOARDS. THE COUNCIL BELIEVES THAT MARKETING BOARDS HAVE MANAGED SOME VERY POSITIVE ACHIEVEMENTS. THEY HAVE SUCCEEDED IN STRENGTHENING THE FARMERS' BARGAINING POWER TO GIVE THEM BETTER RETURNS. GENERALLY SPEAKING, THEY HAVE BENEFITTED

BOTH THE PRODUCERS AND SOCIETY AS A WHOLE BECAUSE MARKETS FUNCTION BETTER AND QUALITY IS CONTROLLED. LET ME BE VERY CLEAR ON THAT POINT. THE COUNCIL SUPPORTS AGRICULTURAL MARKETING BOARDS.

WE DO HAVE SOME QUITE SERIOUS RESERVATIONS ABOUT SOME OF THE MARKETING BOARDS -- THE ONES THAT HAVE "SUPPLY MANAGEMENT" POWERS, LIKE THOSE THAT CONTROL THE DAIRY INDUSTRY AND THE MARKETING OF CHICKENS AND EGGS. THESE BOARDS HAVE THE POWER TO DETERMINE PRICES AND SET PRODUCTION QUOTAS FOR INDIVIDUAL PRODUCERS. IN EFFECT THEY HAVE THE POWER TO ESTABLISH A CARTEL AND THEIR EFFORTS ARE SUPPORTED BY IMPORT CONTROLS. AND THEY DON'T COME UNDER THE COMBINES INVESTIGATION ACT EITHER. THEY HAVE CERTAINLY BEEN EFFECTIVE IN INCREASING THE INCOMES OF THEIR MEMBERS, BUT CANADIAN CONSUMERS HAVE HAD TO BEAR THE COST. AND IT'S NOT THE SMALL FARM OPERATORS THAT ARE BENEFITTING -- IT'S THE BIG PRODUCERS MANY OF WHOM GOT IN AT THE START.

WE RECOMMEND THAT THE POWERS OF THESE SUPPLY MANAGEMENT BOARDS SHOULD BE CURBED GRADUALLY. EVEN THOUGH THERE AREN'T MANY COMMODITIES THAT COME UNDER THIS TYPE OF

REGULATION, THEY REPRESENT A BIG PART OF THE FOOD SPENDING OF CANADIANS. IT'S A QUESTION OF KEEPING THOSE ASPECTS OF MARKETING BOARDS THAT ARE BENEFICIAL, AND THAT DON'T LIMIT COMPETITION, AND CURBING THOSE ACTIVITIES THAT ARE NOT.

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Agriculture
Canada

du bureau de l'honorable Eugene F. Whelan ministre de l'Agriculture

330-98/011

OCTOBRE 18 OCTOBRE



PROJET D'ALLOCUTION D'OUVERTURE À LA TRENTE-
SEPTIÈME RÉUNION FÉDÉRALE-PROVINCIALE DES
MINISTRES DE L'AGRICULTURE, À PRONONCER À
LETHBRIDGE (ALBERTA)

MOMENT DE DIFFUSION: LE LUNDI 13 JUILLET 1981

Nous nous rencontrons aujourd'hui en l'absence de celui qui a sans doute contribué plus que quiconque à la mise au point de cette réunion. Aussi ai-je éprouvé beaucoup de peine lorsque j'ai appris la nouvelle du décès, il y a une semaine, du Dr James O'Donoghue, sous-ministre de l'Agriculture de l'Alberta.

Jim s'était dévoué longtemps à la cause de l'agriculture au Canada, d'abord au sein du ministère fédéral, ensuite au ministère de l'Agriculture de l'Alberta et, depuis 1975, à titre de sous-ministre. Il va certainement nous manquer.

Je tiens à me joindre à vous pour exprimer à son épouse et à sa fille mes sincères condoléances.

Permettez-moi de remercier M. Dallas Schmidt et le ministère de l'Agriculture de l'Alberta de nous avoir invités à tenir notre réunion ici cette année.

Cette merveilleuse contrée qu'est le sud de l'Alberta rappelle mon adolescence. J'y étais venu pour la première fois à cette époque pour donner un coup de main, pendant plus d'un mois, aux agriculteurs au moment de la récolte. J'avais été tout impressionné -- je le suis toujours d'ailleurs -- par la productivité du sol de cette contrée. Pour le jeune Canadien que j'étais, nul autre moyen d'apprentissage pouvait être aussi enrichissant.

J'ai eu également maintes fois l'occasion d'admirer les beaux paysages de l'endroit depuis que j'ai accédé au Cabinet, il y a maintenant près de 9 ans. J'ai rencontré bon nombre de groupes d'agriculteurs et de clubs sociaux dans la région, et j'ai aussi visité à plusieurs reprises les installations de

recherche du Ministère à Lethbridge. À ce sujet, saviez-vous que seule l'administration centrale de la Direction de la recherche à Ottawa dépasse par sa taille la Station de recherche de Lethbridge? En fait, si vous incluez l'élevage de 42 000 acres de Mannyberries, Agriculture Canada compte plus de terres en Alberta qu'en toute autre partie du pays.

Vous avez mis sur pied un intéressant programme à notre intention, et je suis persuadé que nous apprécierons tous mercredi prochain notre voyage à Edmonton en autobus, ainsi que l'occasion qui nous sera donnée de nous familiariser avec les projets agricoles fédéraux et albertains en cours de route.

N'oublions pas toutefois que nous sommes ici pour travailler; vous conviendrez avec moi, j'en suis sûr, que l'agriculture canadienne traverse en ce moment une période des plus critiques.

L'inflation en général, et les taux d'intérêt records en particulier, ont imposé de graves contraintes au secteur. Nous en avons tous une connaissance de première main par les lettres et appels téléphoniques qui nous arrivent d'agriculteurs acculés à la faillite par le loyer élevé de l'argent. Ce sont les éleveurs de bétail qui ont été les plus durement touchés, même si les prix du porc se sont maintenant raffermis. J'ai demandé aux banques de faire preuve de souplesse dans leurs transactions avec les agriculteurs, et leur réponse a été positive. J'espère pouvoir modifier bientôt la Loi sur le crédit agricole de manière à libérer plus de fonds à des taux fixes pour les agriculteurs.

J'entends être bref car nous avons un ordre du jour très chargé. Jamais, à ma connaissance, n'avons-nous eu à aborder autant de questions critiques pour l'avenir de l'agriculture au Canada. Nous avons donc beaucoup de pain sur la planche.

Je constate que M. Garon a soulevé la question des offices nationaux de commercialisation, qui est sûrement l'une des plus importantes sur lesquelles nous devons nous entendre si nous voulons que les producteurs évoluent sur un marché ordonné et jouissent d'une certaine sécurité de revenu.

Le rapport du Conseil économique sur les offices de commercialisation est également à l'ordre du jour et nous aurons l'occasion d'interroger M. Slater. Je n'ai pas l'intention de m'y attarder maintenant. J'ai déjà exposé assez en détail mon point de vue là-dessus à l'occasion du récent congrès sur le porc de l'Ontario.

Ce qui me choque le plus dans ce rapport, c'est qu'il donne aux consommateurs canadiens l'impression qu'ils ont été mal servis par le secteur agricole -- qu'ils se sont faits "avoir" par les agriculteurs, lesquels se seraient enrichis à leur dépens.

Or c'est justement le contraire qui est vrai. Les consommateurs canadiens ont profité de prix plus que raisonnables dans le secteur de l'alimentation, grâce à la remarquable productivité et efficacité des agriculteurs canadiens.

Les formules de coûts de production qui régissent les denrées soumises à une gestion de l'offre ont servi à rajuster

les prix des aliments en fonction des coûts réels des facteurs de production. En fait, les prix à la consommation de ces produits ont progressé plus lentement au cours de la dernière décennie que ceux des produits vendus sur le marché supposément libre. Au cours des dix dernières années, les indices de prix des produits laitiers, des oeufs, du poulet et du dindon ont affiché des hausses plus modestes que l'indice de l'ensemble des aliments.

J'ai inscrit les produits agro-chimiques à l'ordre du jour parce qu'ils sont essentiels à l'exploitation agricole partout au pays et que j'estime qu'une collaboration étroite entre les gouvernements fédéral et provinciaux est nécessaire tant pour réglementer les pesticides et herbicides que pour guider ceux qui utilisent ces produits.

La révolution chimique se poursuivra, aucun doute là-dessus. Sans pesticides, les aliments deviendraient plus chers, plus difficiles à produire, et leur qualité diminuerait. Le ministère fédéral de l'Agriculture réglemente à l'heure actuelle près de 5000 produits antiparasitaires homologués au Canada. C'est là une tâche très lourde, et nous avons besoin de l'aide des provinces, des universités et des autres organismes gouvernementaux pour nous tenir à jour sur les nouvelles données qui voient le jour constamment.

À l'instar des fonctionnaires du Ministère, j'estime que les pesticides ne devraient pas être notre seule arme contre les insectes, les mauvaises herbes et les maladies qui nuisent aux rendements agricoles. On devrait recourir aux méthodes de

lutte non chimiques chaque fois que cela est possible, et nos efforts de recherche dans cette direction progressent. Grâce à la lutte antiparasitaire intégrée (pesticides, bonnes pratiques culturales et lutte biologique), nous avons pu réduire de 50 pour cent la quantité de pesticides utilisée dans certains secteurs, tels que la lutte contre la pyrale dans les vergers de pommes.

Nul ne saurait garantir de façon absolue que chaque antiparasitaire utilisé est entièrement sans danger. Il s'agit évidemment de poisons qui doivent pouvoir détruire des organismes vivants pour être efficaces. L'inquiétude du public concernant l'innocuité de ces produits est compréhensible, et je la partage, tout comme, je pense, l'ensemble des agriculteurs canadiens. Après tout, ce sont eux qui doivent manipuler ces produits, et au même titre que les citoyens, ils veulent être rassurés quant à la propreté, l'innocuité et la salubrité des aliments qu'ils consomment.

Nos décisions en matière d'emploi des antiparasitaires ne sauraient dépendre des campagnes menées par les médias ou des lettres alarmistes d'organismes voués à la protection de l'environnement. Nous continuerons à nous laisser guider par les faits, et non par les émotions.

En tant que ministres de l'Agriculture, nous sommes tous très conscients de l'importance des ressources en terres pour notre industrie et pour l'économie du pays. Notre approvisionnement futur en aliments, nos ventes à l'exportation et l'ensemble de notre développement économique et social en dépendent.

Sans empiéter en aucune façon sur les compétences provinciales en matière d'utilisation des terres, j'estime que le gouvernement fédéral a un rôle légitime et très important à jouer au chapitre de la recherche axée sur le maintien de la productivité et de la qualité des sols, l'objectif étant bien sûr de s'assurer que l'agriculture canadienne demeure viable et efficace.

Par le passé, la recherche a contribué énormément à accroître la productivité de nos terres grâce à des études sur les engrais, la conservation de l'eau, les pratiques culturales, l'irrigation et le drainage. Les agriculteurs et les gouvernements s'inquiètent de plus en plus des problèmes fondamentaux du sol, tels que la baisse de fertilité, l'érosion, la salinité croissante et l'envahissement des terres agricoles par les villes.

Le Comité canadien de coordination des services agricoles a recommandé l'élaboration d'une stratégie pour la recherche sur les ressources en terres afin de maintenir et d'améliorer la qualité de nos terres agricoles.

Le ministère fédéral de l'Agriculture reconnaît la nécessité d'une telle recherche et collaborera avec les provinces dans le cadre d'un programme intégré dont les principaux volets seront le maintien et l'amélioration de la qualité et de la productivité des sols, l'accélération de l'inventaire des ressources en terres, une meilleure définition des facteurs climatiques influant sur la production, l'évaluation des aptitudes agricoles des terres et la mise sur pied d'un système

intégré d'information sur les sols pour l'évaluation des terres et la prise de décision dans ce domaine.

Je voudrais également dire quelques mots sur la Journée mondiale de l'alimentation qui se tiendra pour la première fois le 16 octobre prochain, date de l'anniversaire de fondation de l'Organisme des Nations-Unies pour l'alimentation et l'agriculture, qui vit le jour à Québec en 1945. C'est d'ailleurs cette même année que les ministres fédéral et provinciaux de l'Agriculture ont tenu pour la première fois une réunion comme celle-ci.

Les Canadiens s'engagent à fond depuis de nombreuses années dans les programmes internationaux d'aide alimentaire et de développement agricole. Je regrette que Gerry Vogel ne puisse être parmi nous pour prêter son concours à la participation du Canada dans ce qui est appelé à devenir un effort mondial pour alerter le grand public à la gravité de la situation alimentaire mondiale.

Le discours édifiant prononcé à Ottawa par M. Vogel en décembre dernier a suscité une campagne d'envergure vraiment nationale. La Journée mondiale de l'alimentation sera en fait le point culminant de plusieurs semaines d'activités menées à tous les paliers -- fédéral, provincial, municipal, au niveau des collectivités -- et adoptant les formes les plus diverses, telles que suppléments publiés dans les journaux, séminaires, soupers paroissiaux, etc.

Je suis sûr que vous allez tous appuyer à fond vos comités provinciaux.

Notre rencontre nous permettra également de faire le point sur les perspectives en matière de développement agricole. Plusieurs agents supérieurs de mon ministère se sont penchés sur les possibilités de développement dans le secteur agro-alimentaire pour les prochaines décennies. À vrai dire, ce secteur intéresse tous les Canadiens et il joue un rôle important dans toutes les provinces et régions. Ses possibilités figurent parmi les meilleures des secteurs industriels pour les vingt prochaines années.

Nous avons examiné de près les besoins en alimentation dans la perspective d'une croissance de la population mondiale, du développement des marchés dans les pays du Tiers-Monde, et de l'évolution des régimes alimentaires et habitudes de vie des Canadiens. Et nous en concluons que l'avenir est prometteur.

Cependant, il n'y a pas à en douter, avant de réaliser une expansion du secteur agro-alimentaire, il nous faudra faire face à un certain nombre de problèmes; nos ressources pédologiques limitées, l'augmentation des coûts de l'énergie, les changements climatiques, les fluctuations des prix mondiaux et nos systèmes de transport n'ont que quelques-uns.

Aussi le gouvernement fédéral veut-il mettre de l'avant des suggestions afin de surmonter ces obstacles et bâtir le secteur agro-alimentaire et ce, au moyen de l'expansion des marchés, du renforcement de nos ressources en terres et d'une recherche plus axée sur le marché.

Voilà esquissé rapidement un projet que vous estimerez sans doute intéressant. Bien sûr, nous aurons besoin de

l'entière collaboration de toutes les provinces pour sa mise en oeuvre. Les possibilités de croissance de notre secteur agricole ont certes de quoi nous réjouir. Aussi le Canada est-il appelé à occuper un rang privilégié en tant que chef de file en matière de production alimentaire et de développement agricole au cours de décennies à venir.

À mesure que nous réaliserons nos possibilités en matière de production alimentaire, il y aura sûrement maintes occasions de faire appel à la participation tant des diverses régions que de tous ceux qui oeuvrent dans le secteur agricole à quelque niveau que ce soit. C'est pourquoi je m'attends à des débats animés lorsque nous aborderons ce sujet à l'ordre du jour et je me fais un devoir d'accueillir vos points de vues.

J'ai réservé mes derniers commentaires à ce qui m'apparaît être la plus importante question à l'ordre du jour. C'est le Manitoba qui a demandé qu'on traite de la stabilisation, mais nous savons tous qu'elle constitue l'une des principales raisons d'être de la présente réunion. Si nous n'en arrivions à rien d'autre qu'à une harmonisation des programmes de stabilisation au cours de la présente rencontre, je vous assure que nous n'aurions pas perdu notre temps.

Les problèmes récents éprouvés dans la mise en oeuvre du programme fédéral de stabilisation des prix du porc pour 1980-1981 devraient nous convaincre tous de la nécessité d'établir un régime de stabilisation national traitant tous les producteurs sur un même pied.

En annonçant des modifications au programme de stabilisation du porc il y a quelques semaines, j'ai bien précisé qu'à l'avenir il n'y aurait plus de chevauchement des programmes fédéraux et provinciaux de stabilisation. Je suis bien persuadé qu'il faut en arriver là. Nous connaissons toutes les difficultés que nous devons surmonter lorsqu'il devient évident que nos agriculteurs doivent concurrencer des gouvernements de pays étrangers qui subventionnent leurs denrées alimentaires sur les marchés mondiaux. À tout le moins, les agriculteurs d'une province ne devraient pas avoir à rivaliser avec les gouvernements des autres provinces à l'intérieur d'un même pays!

Il est naturel que les gouvernements provinciaux désirent aider leurs producteurs lorsqu'ils en ont besoin, et il est vrai également que les provinces ont choisi un certain nombre de types de programmes différents. Toutefois, je refuse de croire que nous ne puissions élaborer un programme national de stabilisation donnant aux producteurs la sécurité dont ils ont besoin tout en les traitant sur un pied d'égalité en tant que Canadiens.

Place maintenant à la discussion! Je suis persuadé que d'ici à la fin de la semaine, nous aurons trouvé des méthodes concertées pour venir en aide à l'industrie agro-alimentaire, au profit de tous les producteurs. Ce faisant, nous aurons contribué à construire un Canada plus fort.

Merci.

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CONFERENCE FEDERALE-PROVINCIALE
DES MINISTRES DE L'AGRICULTURE

Notes pour une allocution

David W. Slater

Président

CONSEIL ECONOMIQUE DU CANADA

Lethbridge/Edmonton
(Alberta)

Du 14 au 16 juillet 1981

Economic Council of Canada

Conseil économique du Canada

NOTES POUR UNE ALLOCUTION

AUX MINISTRES DE L'AGRICULTURE
DU GOUVERNEMENT FÉDÉRAL ET DES PROVINCES

A EDMONTON, ALBERTA

le 16 juillet 1981

David W. Slater
Président

Permettez-moi d'abord de vous dire que c'est pour moi un grand privilège d'être ici aujourd'hui. Je suis sûr également que ce sera pour moi une expérience agréable et enrichissante. Lorsque, il y a huit semaines - environ un mois avant la publication de notre rapport Pour une réforme de la réglementation - j'ai reçu votre invitation par l'entremise de M. Gaëtan Lussier, j'ai tout de suite compris que c'était là une invitation qu'il fallait accepter. Lorsqu'ils en ont entendu parler, mes amis et collègues n'ont pas tardé à me conseiller l'achat d'une veste anti-balles et d'une voiture blindée, ou encore un grand chapeau et des bottes de cowboy pour faire bon effet. D'autres m'ont rappelé l'histoire des chrétiens et de la fausse aux lions. D'autres encore m'ont conseillé de recourir à des tactiques de diversion, de parler de tout sauf de l'agriculture et du chapitre sur la réglementation directe de l'agriculture. Autant de bonnes intentions, bien sûr, mais des conseils très peu utiles. J'ai donc décidé évidemment qu'il valait mieux aborder directement le sujet prévu, soit les vues du Conseil sur la réglementation de l'agriculture.

Mes lettres de créance dans le domaine de l'agriculture ne sont pas, je le crains, très impressionnantes. Mais je puis dire que je suis marié, depuis plusieurs années déjà, à la fille d'un agriculteur. Et, bien que je sois un gars de la ville issu des banlieues de Winnipeg, j'ai exécuté dans ma jeunesse presque toutes les tâches qu'on trouve dans une ferme; et j'ai construit

aussi ou réparé dans l'Ouest canadien à peu près toutes les pièces d'élévateurs à grain, dont certains sont encore debout.

Avant de passer à notre propos, j'aimerais dire quelques mots au sujet du Conseil et de ses travaux. Il y a environ trois ans et demi, le Conseil a reçu un renouvellement de mandat, quoique toujours en vertu de sa même loi constitutive, le chargeant d'apporter une contribution importante, par ses recherches, ses avis et ses activités éducatives, à l'amélioration de la performance économique du Canada. C'est au Conseil en tant que tel, qui peut compter jusqu'à 25 membres à temps partiel et jusqu'à trois membres à plein temps, qu'incombe la responsabilité d'un document ou d'une étude, et non pas au président, ni à un directeur ni à l'auteur. Les membres du Conseil ne sont pas de simples conseillers ou membres d'un conseil d'administration, ni un conseil de rédaction, comme dans la plupart des autres groupes de recherche et groupes consultatifs chargés de questions d'affaires publiques; ils forment le Conseil. Il est prévu toutefois qu'un membre peut faire état de divergences de vues ou faire des commentaires individuels sur les rapports du Conseil, mais c'est là une possibilité qu'il faut utiliser avec parcimonie, sous peine de réduire le bien fondé d'une recherche du juste milieu dans les avis que nous donnons au sujet des politiques d'intérêt public. J'ai également laissé entendre que nos moyens d'action se résument à une combinaison de travaux recherches, de conseils à nos chefs politiques et de tâches éducatives. Si l'un quelconque de ces éléments est absent ou

qu'il est de piètre qualité, le travail du Conseil perd son efficacité. Le Conseil n'est PAS un organisme de recherche économique pure; il publie des avis ou des conseils, qui doivent reposer, entre autres choses, sur des recherches compétentes - les nôtres et celles d'autrui.

Le travail du Conseil est de trois ordres. Tout d'abord, en vertu de la loi qui le régit, il est tenu de publier chaque année un document de rétrospective et de perspective à moyen terme sur la situation économique générale du Canada. D'où l'Exposé annuel que le Conseil publie chaque année et dont le prochain, à l'automne, sera le dix-huitième. En deuxième lieu, il lui est loisible de choisir, de sa propre initiative, parmi une vaste gamme de sujets de recherche économique. Le récent rapport sur les revenus de retraite au Canada est un exemple de ce genre d'initiative, et le rapport sur les accords fiscaux entre le gouvernement fédéral et les provinces qui doit paraître cet automne en est un autre. Troisièmement, le Conseil peut être appelé, aux termes de sa loi, de mener des études spéciales -- comme celle sur l'économie de Terre-Neuve publiée à la fin de l'automne dernier et celles sur la réglementation, publiées à la fin de 1979 et tout récemment. J'ai apporté ici un rapport d'activité dont vous pourrez vous prendre un exemplaire.

Si les Rapports du Conseil engagent complètement sa responsabilité, il n'en va pas de même du programme de publication des études, documents de travail et documents techniques à nom d'auteur. Le Conseil approuve un programme de publication, mais c'est le président qui gère ce programme, en faisant faire des études et prenant conseil au sujet de documents qui lui sont présentés. Après avoir reçu l'avis du Comité des publications, il permet la publication des ouvrages attribués à des auteurs.

Comme on peut le lire sur la couverture intérieure de chacun de nos documents : "Le fait de publier une étude ou un document à nom d'auteur ne signifie pas que le président ou les membres du Conseil souscrivent aux conclusions ou aux recommandations contenues dans l'ouvrage, mais plutôt que l'analyse est jugée d'une qualité suffisante pour être portée à l'attention du public". Nous n'affirmons pas que le travail de l'auteur est parfait et d'une objectivité absolue; mais nous prenons nos décisions tout de même d'après des normes élevées de compétence et d'intégrité professionnelle. Je ne puis défendre chaque ligne ou chaque calcul de chaque document préparé pour nous relativement aux questions agricoles dans le cadre du Mandat sur la réglementation, pas plus que dans un autre domaine de recherche du Conseil, mais je dois voir à l'application des normes qui inspirent nos choix. En réalité cependant, nous avons beau chercher par tous les moyens possibles à dissocier la responsabilité du Conseil de celle de l'auteur, notre succès

n'est toujours que momentané. Mais c'est là le prix qu'il nous faut payer pour nous acquitter de notre tâche.

Mes derniers commentaires préliminaires concernent l'intérêt général et le travail du Conseil dans le domaine de l'agriculture. Il faut avouer que ces dernières années, nous avons fait assez peu, mais nous avons l'intention de faire davantage à l'avenir. À plusieurs occasions, nous avons cherché à nous dégager des points excessivement étroits sur lesquels se concentre le débat sur l'économie canadienne : l'énergie, les industries manufacturières de pointe, les secteurs nous de la fabrication, l'argent ... et c'est à peu près tout. Nous avons traité d'une base beaucoup plus vaste sur laquelle se fonde la vigueur de l'économie canadienne, et c'est dans ce contexte que nous nous sommes arrêtés au secteur de l'agriculture. Nous avons à maintes reprises réclamé l'amélioration du système de transport dans l'Ouest canadien. Actuellement, nous avons aussi sur le métier certains documents exploratoires sur des problèmes agricoles, ainsi que des recherches en vue de certaines études régionales concernant l'Ouest canadien. À partir de ces documents préliminaires, j'entrevois déjà une série de problèmes difficiles d'adaptation pour certains secteurs de l'agriculture canadienne, ainsi que certaines chances dont nous ne pourrions pas profiter à moins d'une amélioration -- et d'une amélioration rapide -- des

mécanismes touchant les domaines de l'agriculture, des transports et de la commercialisation. On constate aussi que les politiques et les institutions agricoles, comme celles d'autres secteurs au Canada, sont très diverses, et que les défis posés par l'amélioration du sort des agriculteurs ainsi que par la réalisation d'une mesure raisonnable d'efficacité et d'équité envers les autres Canadiens constituent des préoccupations constantes.

Voilà pour les remarques préliminaires. J'en arrive maintenant au Mandat sur la réglementation, puis à notre étude de la forme de réglementation économique directe que constituent les offices de commercialisation des produits agricoles.

Organisation du mandat sur la réglementation

Comme vous le savez, il y a environ trois ans, les premiers ministres ont chargé le Conseil d'entreprendre une étude de la réglementation au Canada en vue d'en évaluer l'incidence sur la performance économique du pays, et sur sa compétitivité internationale. À la demande du Premier ministre, nous avons élaboré un programme de recherche faisant appel à la participation du monde des affaires, des syndicats et, dans le cas de l'agriculture et de transformation des denrées alimentaires, aux groupements agricoles et aux fonctionnaires fédéraux et provinciaux rattachés à ce domaine particulier.

Nous avons pris contact avec plus de 100 associations professionnelles et institutions commerciales et avons fini par créer 12 comités consultatifs, dont l'un pour l'agriculture et un autre pour la transformation des denrées. Nous avons communiqué avec presque toutes les universités canadiennes et invité les chefs de département ou doyens intéressés à nous faire des propositions de projets de recherche dans différents domaines de la réglementation. Nous avons formé un comité consultatif fédéral-provincial qui, avec les autres comités consultatifs, nous a prodigué ses conseils sur le choix des chercheurs et des projets de recherche et nous a aidés à surveiller et à suivre les travaux au fur et à mesure de leur déroulement. Il fut convenu, dès le début, que le Conseil accorderait beaucoup d'attention aux secteurs où il y avait déjà en place des systèmes de réglementation économique directe et que les différents types d'offices de commercialisation, leurs caractéristiques et les conséquences de leurs activités feraient partie de nos sujets d'étude. Or, il s'est trouvé que l'Institut de recherches politiques était justement sur le point de mener un examen semblable; nous avons donc par la suite uni nos efforts pour élaborer une stratégie de recherche et former une équipe dont la direction a été confiée en sous-traitance à une firme d'experts-conseils bien connue dans le domaine de la commercialisation des produits agricoles, à Guelph, Ontario.

Lors de la préparation de ce plan de recherche, certains de nos conseillers ont pris acte du rapport du Groupe d'étude du secteur fédéral sur l'industrie canadienne des aliments et boissons, de juin 1978, qui s'inquiétait sérieusement de ce que les politiques et pratiques de certains offices de commercialisation des produits agricoles avaient érodé la position concurrentielle de quelques produits canadiens, tant primaires que transformés. Au moment où fut entreprise la recherche, les membres du Comité consultatif sur l'agriculture ont examiné tous les aspects du programme, et ce dernier a également fait l'objet de commentaires lors d'un atelier spécial, tenu il y a un peu plus d'un an, à l'Université McGill. Le groupe de chercheurs comprenait un certain nombre d'experts-conseils privés, dont un ancien membre du Supervisory Agricultural Marketing Board de la Colombie-Britannique et plusieurs personnes ayant travaillé pour Agriculture Canada. Les titres de compétence de nos chercheurs universitaires étaient impressionnants, et la liste des universités concernées allait de Guelph, du Manitoba, de la Colombie-Britannique et Regina, jusqu'au Food Research Institute de la Stanford University, de Californie. Plusieurs personnes étaient des savants universitaires réputés et la liste de leurs titres et qualités est tout-à-fait remarquable.

Nous croyons, et je sais que l'IRP le croit aussi, que les niveaux de compétence de nos équipes de chercheurs étaient d'un calibre incontestable. Certaines de leurs conclusions sont déjà

du domaine public et nous publierons le reste de la recherche aussitôt que nous le pourrons, compte tenu du fait que l'agriculture n'est qu'un des nombreux secteurs étudiés. Pour ce qui est des vues du Conseil en tant que tel, elles ont été élaborées non pas à même cette seule recherche, mais encore par des perspectives et conseils plus vastes issus des sources les plus diverses.

Approches de la réglementation directe
dans l'agriculture et autres facteurs

Comme vous l'aurez constaté par notre rapport final, le Conseil appuie fermement et sans équivoque les offices de commercialisation des produits agricoles. Il croit que ces offices ont contribué à l'amélioration des pratiques de commercialisation et fourni aux exploitants agricoles des renseignements qui ont aidé à accroître l'efficacité de la production et à effectuer des choix plus éclairés sur les différents genres de production, ainsi que sur le capital, le matériel, les provendes et les engrais à utiliser dans le processus de production.

Le Conseil appuie également l'application des régimes de stabilisation des prix ou des revenus pour les denrées agricoles, compte tenu des instabilités saisonnières ou cycliques. L'action combinée de la Société du crédit agricole et de régimes tels que la Loi sur la stabilisation des prix agricoles et la Loi sur la

stabilisation des prix des céréales canadiennes assure le soutien et la sécurité du revenu des agriculteurs moyennant une intervention relativement minimale sur les pratiques normales d'un marché compétitif et sur l'efficacité des choix. En effet, le Conseil ne voit pas d'inconvénients à l'utilisation de subventions directes comme celle du lait industriel, pourvu qu'elles soient ouvertes, visibles et acceptées et que leurs effets conviennent aux objectifs poursuivis, et qu'elles n'accentuent pas par ailleurs les inefficacités du système.

Cependant, le Conseil estime que les subventions devraient avoir des objectifs sélectifs, afin qu'elles ne deviennent pas de simples sources de revenu supplémentaire offertes surtout aux grandes entreprises commerciales viables, pendant que les petits exploitants ne reçoivent que très peu ou à peu près rien. Enfin, le Conseil croit à une imputabilité telle que dans les organismes de réglementation qui sont ultimement responsables de la commercialisation des produits agricoles et qui exercent effectivement un rôle de supervision des offices individuels de produits, il se retrouve un juste équilibre entre les détaillants, les producteurs, les transformateurs et les consommateurs, selon le genre de relation pondérée qui s'établit dans les marchés traditionnellement compétitifs.

Je devrais ajouter que l'agriculture n'a pas été le seul secteur à attirer l'attention du Conseil pour ce qui est de

l'imputabilité et de l'équilibre des forces. Dans le domaine des professions, par exemple, nous avons recommandé que les gouvernements fédéral et provinciaux établissent une commission de réglementation des professions chargée de les conseiller sur les activités des professions réglementées et d'entendre les appels de leurs membres ou du grand public. Nous avons également recommandé un soutien financier pour les intervenants de groupes d'intérêt qui comparaissent devant des organismes statutaires de réglementation. Dans son rapport provisoire de décembre 1979, qui était essentiellement le rapport final sur les processus de réglementation et la réglementation des organismes de réglementation, le Conseil recommandait fortement : l'accès à l'information, la consultation préalable sur l'adoption ou la modification de règlements, l'analyse avantages-coûts et l'analyse efficacité-coûts, la revue et l'imputabilité systématiques et l'examen parlementaire de tous les genres de réglementation économique.

Le Conseil se montre donc logique dans son attitude concernant la réglementation de la commercialisation des produits agricoles et d'autres formes de contrôles économiques directs traditionnels. Le Conseil ne fait pas un cas spécial de l'agriculture pour l'application de normes de concurrence, et il n'applique pas d'autres normes ailleurs. Il a su tempérer ses normes de concurrence en reconnaissant que leur application a ses limites. Cependant, il croit que la concurrence est le moteur

fondamental de l'amélioration de la performance économique et de l'accroissement de la productivité. Mais la concurrence présuppose un équilibre raisonnable du pouvoir entre les vendeurs, individuellement ou collectivement, et les acheteurs; et historiquement, l'établissement et le rôle des offices de commercialisation des produits agricoles paraissent compatibles avec ce genre d'équilibre.

Le Conseil estime que si le marché libre ne peut assurer aux agriculteurs un niveau convenable de revenu et de protection des récoltes, le gouvernement a un rôle à jouer par ses politiques de soutien, tout comme le recours à des subventions directes, si nécessaire, pour assurer l'autosuffisance alimentaire relative et le maintien de la ferme familiale. Nous favorisons les mesures qui permettent la commercialisation nationale des produits agricoles, qui font tomber les obstacles interprovinciaux au mouvement des denrées agricoles, mais nous reconnaissons qu'il est avantageux de rapprocher les offices de commercialisation des gens et de leur confier l'administration efficace des pratiques de commercialisation intraprovinciales.

Par contre, le Conseil s'oppose aux lois et aux mécanismes institutionnels qui permettent aux offices d'exercer des pouvoirs exclusifs de régulation de l'offre, de fixer les prix, de contrôler la production et la répartition entre provinces et producteurs, et de faire renforcer ces pouvoirs par des contrôles des importations très protectionnistes. Il s'oppose, en un mot,

à la création et à l'exploitation de cartels intérieurs, que ce soit pour l'agriculture, pour l'uranium ou toute autre chose.

Les offices de commercialisation

Contrairement à presque toutes les autres entreprises, les offices de commercialisation, comme vous le savez, échappent à la Loi sur les enquêtes relatives aux coalitions. L'exercice des pouvoirs de régulation de l'offre dans leur forme actuelle serait illégal dans toute autre activité commerciale.

Les résultats étaient bien à prévoir. Depuis 1975, soit depuis l'adoption de pouvoirs de régulation de l'offre dans l'industrie laitière, les prix laitiers ont monté à peu près deux fois plus vite qu'aux États-Unis, bien que cela s'explique aussi en partie, il faut le dire, par l'abolition de la subvention au lait nature. Les prix des oeufs au niveau du gros ont aussi augmenté plus vite qu'aux États-Unis, bien que la marge en pourcentage soit moindre. Bien sûr, il y a un aspect positif et c'est que l'Organisme canadien de commercialisation des oeufs (si je m'en remets aux chiffres qu'il publie), et les divers offices laitiers également, semblent avoir réussi à persuader les détaillants d'accepter une marge bénéficiaire très faible, beaucoup plus faible que la marge correspondante aux États-Unis. Mais on n'a pas besoin de cartels pour autant.

On pourrait soutenir que les offices qui ont des pouvoirs de régulation de l'offre ne forment pas un cartel puisque, dans l'établissement des prix, ils sont légalement tenus de se conformer à une formule de coût de production et que cette formule tient compte de la réalité d'exploitations moyennes et grandes (mais pas des plus grandes). Cependant, ces formules de production comportent un élément subjectif important et il m'apparaît évident, d'après l'importance de la valeur des quotas dans diverses provinces, que le facteur subjectif n'a pas été suffisamment affiné pour traduire les améliorations de productivité et que les prix cibles fixés sont plus élevés pour une quantité donnée de ventes qu'ils ne le seraient en situation de concurrence.

On me dit, par exemple, qu'en Ontario, soit une province où la valeur des quotas pour les produits soumis aux mécanismes de régulation de l'offre est relativement modeste, le coût en capital des quotas pour la vente de la production d'un homme était, au début de 1981, de 100 000\$ dans le cas du lait, de 250 000\$ dans le cas des dindons, et d'un demi-million dans le cas des oeufs et des poulets de grill. Voilà tout un profit en perspective pour les premiers qui ont reçu les quotas. Et, compte tenu des autres dépenses initiales liées à l'acquisition d'une ferme, avec le bétail et le matériel, cela représente un obstacle sérieux, sinon prohibitif, pour les jeunes qui veulent se lancer dans ces productions.

Valeur des quotas et prix compétitifs

Mettons de côté pour un instant la question de la mesure de la valeur des quotas. Nous devons aussi examiner la question fondamentale de la qualité, c'est à dire le lien entre la valeur des quotas et les rentes économiques créées par la régulation de l'offre et des prix dans un marché protégé. Nous soutenons que cette régulation peut être la cause de rentes économiques considérables qui sont le fondement de la valeur des quotas, et qu'elle l'a effectivement été dans certains cas au Canada. Nous soutenons également que les gens qui reçoivent ces rentes, lorsqu'elles sont créées, obtiennent un rendement qui dépasse largement le rendement compétitif des facteurs de production utilisés dans l'agriculture, même en admettant des rendements supérieurs pour une qualité supérieure des terres, du travail, de la gestion, de l'innovation, etc. Nous convenons que ces rentes peuvent être au moins partiellement capitalisées sous forme de droits de quota, et qu'elles le sont souvent.

J'ai mis à l'essai à peu près toutes les formules théoriquement possibles pour réaliser cette quadrature du cercle, c'est-à-dire pour concilier la valeur élevée des quotas avec des prix moyens qui soient compatibles avec des conditions de marché concurrentiel à long terme pour les produits en cause et pour les facteurs de production affectés à la production de ces denrées.

La différence dans la qualité, le travail, la gestion, la technique, la terre peuvent et devraient apporter leur rétribution propre, sans qu'il soit nécessaire d'avoir des quotas. La valeur des quotas n'est pas un substitut convenable pour la différence de qualité. Ayant évalué leurs intrants sur une base de coûts d'option, ceux qui arrivent à produire à faibles coûts devraient déloger ceux qui produisent à des coûts plus élevés. Je ne trouve aucune justification économique pour extorquer un droit d'expansion aux producteurs à faibles coûts -- en les forçant à acheter des quotas aux producteurs à coûts élevés -- et maintenir ainsi les niveaux globaux des coûts.

J'arrive mal à croire que les diverses firmes comptables dont on peut retenir les services sont meilleurs juges des coûts d'un agriculteur que les bons agriculteurs eux-mêmes; ou que les bons agriculteurs sont atteints d'une myopie inhérente qui leur fait toujours sous-estimer leurs coûts. Je n'ai pas la moindre difficulté à concevoir des façons dont les formules de coûts des comptables dans un domaine qui est essentiellement un art peuvent surestimer les coûts du premier quartile des agriculteurs, et ainsi apporter une justification des prix lorsqu'il n'y en a pas. Le meilleur test à long terme, ce n'est pas la formule, mais bien de savoir si les valeurs des quotas augmentent sensiblement en proportion du prix du produit. Pour ce qui est de l'équité, je ne vois aucune justification morale particulière à l'enrichissement des cultivateurs à coûts élevés aux dépens, par

exemple, des familles monoparentales dont le revenu ne dépasse pas de beaucoup le seuil de pauvreté.

Évaluation des quotas

Nous avons été pris à partie par la FCA et d'autres pour avoir cité des chiffres donnant la valeur globale de certains des quotas, faisant valoir qu'il est illusoire de prendre le prix offert par les agriculteurs efficaces pour de nouveaux quotas, de multiplier ce chiffre par la quantité globale de quotas en cours et de supposer que cela représente soit une mesure des profits excédentaires pour les producteurs, soit une mesure du coût excédentaire pour les consommateurs. Nous reconnaissons que cette méthode ne donne pas une idée exacte des rentes supplémentaires de monopole inhérentes à un régime de régulation de l'offre, mais nous affirmons qu'elle nous en donne une assez bonne idée. Cela équivaut effectivement à ce que les hommes d'affaires font tous les jours lorsqu'ils prennent une mesure de la valeur totale de leurs actions en circulation, en supposant, bien entendu, qu'il y aura un roulement plus ou moins constant d'actions, ou, dans le cas qui nous occupe, de quotas. Naturellement, si tous les exploitants agricoles se précipitaient en même temps pour vendre leurs quotas, leur valeur tomberait à presque rien, tout comme la valeur des actions chuterait si les actionnaires prenaient aussi la panique. Mais cela n'est pas près de se produire. Ce n'est certainement pas ce que nous

nous recommandons lorsque nous préconisons une expansion graduelle des prix et de la production sur une période de 5 à 10 ans dans le but de laisser la valeur des quotas redescendre à des niveaux raisonnables.

Nous ne disons pas non plus que la valeur des quotas devrait tomber à zéro. Nous savons très bien qu'ils ont une valeur positive pour diverses raisons, y compris les avantages qu'ils apportent sur le plan de la continuité et de la sécurité du revenu et le fait qu'ils sont dans une large mesure déductibles pour fins d'impôt. De plus, dans le cas où le quota est lié à la ferme, il y a interdépendance avec le prix des terres. Même en tenant compte de tous ces éléments, il ne subsiste aucun doute dans mon esprit qu'une partie très appréciable de la valeur totale des quotas représente pour les exploitants agricoles des taux de rendement qui dépassent les rendements compétitifs normaux, même avec les différences de qualité des intrants et de la gestion, et qui découlent directement de l'application des pouvoirs de régulation de l'offre.

Effets à long terme d'une restriction excessive de l'offre

Ce qui me préoccupe le plus et ce qui, selon moi, préoccupe le ministre fédéral de l'Agriculture et certains d'entre vous également, ce n'est pas tellement le transfert à sens unique vers les grands exploitants, mais plutôt les effets à long terme de

ce régime sur le plan de l'augmentation des prix. Je sais que la valeur des quotas n'est pas prise en compte dans la formule du coût de production. Mais avec le temps, n'allez jamais croire qu'elle ne s'infiltrera pas par le truchement du service supplémentaire de la dette courante auquel devront faire face les nouveaux arrivants. Après avoir payé le prix d'accès, ils vont naturellement s'attendre à un rendement convenable de leur investissement, ainsi qu'à des prix qui maintiennent, s'ils ne l'augmentent pas, la valeur d'actif de leur propre quota. Directement, ou plus probablement indirectement, les formules du coût de production devront refléter ce fait, ou s'y accommoder.

Nous disons donc qu'à ce jeu, les choses ne peuvent qu'empirer, et que le temps est venu de passer résolument à la réforme. Nous ne disons pas, je le répète, qu'il faut mettre la hache dans les offices de commercialisation des produits laitiers, des oeufs et de la volaille. Nous disons qu'il faut réexaminer leurs pouvoirs et leur rôle. Nous ne disons même pas qu'il faut leur retirer leur droit de répartir les quotas. À l'échelle nationale, il peut bien y avoir des motifs pour déterminer des quotas globaux qui soient compatibles avec les conditions observables de la demande. Nous recommandons un relâchement des prix relatifs et, pour le long terme, une expansion des quotas pour tenir compte des augmentations prévisibles des ventes. Nous recommandons également que les quotas soient librement transportables à l'intérieur et à l'extérieur des provinces, de manière à éviter

la situation ridicule que l'on voit maintenant dans le cas du lait industriel, où, mettons, l'Ontario ou le Québec ne peuvent acheter les quotas excédentaires de l'Alberta, de sorte que l'offre s'en trouve encore plus limitée. Et, pour préserver le marché intérieur, nous avons recommandé la substitution de tarifs aux quotas des importations chaque fois que cela est possible, puisque les tarifs sont moins restrictifs et qu'ils forcent les producteurs intérieurs à maintenir au moins le même rythme d'amélioration de la productivité que leurs concurrents étrangers.

À notre sens, les recommandations que nous avons formulées jouent à l'avantage non seulement des consommateurs, mais également des agriculteurs. À la longue, il est important que ces derniers maintiennent leur productivité et leur compétitivité. Comme vous le savez fort bien, par exemple, la consommation de lait et d'oeufs par habitant diminue. À long terme, la plupart des cartels se révèlent autodestructeurs, car ils fixent les prix de leurs produits de manière à favoriser le recours à des substituts. Cela peut arriver aux produits agricoles, tout autant qu'à l'énergie. Il y a déjà des substituts du lait sur le marché, et j'ai lu l'autre jour que des chercheurs du Wisconsin veulent utiliser des moyens biogénétiques pour produire de la caséine de manière à fournir des protéines laitières aux habitants du Tiers Monde qui ne peuvent pas avoir de troupeaux de vaches.

Le défi

Notre défi à tous, c'est de trouver de bons moyens pratiques de gérer l'agriculture et de définir les degrés d'intervention qui soient les bons, tant du point de vue des intérêts des agriculteurs que du point de vue des consommateurs. Considérant les problèmes d'instabilité, ainsi que le pouvoir de négociation et le développement des marchés, cela pourrait très bien exiger le maintien d'un certain recours à la régulation de l'offre, tout en recourant aux autres mesures particulières (stabilisation du revenu, assurance-rendement, contrats à terme, etc.) applicables à certaines denrées. Personne ne doit sous-évaluer les problèmes que pose la régulation de l'offre, particulièrement dans la poursuite d'objectifs de stabilisation, ni rejeter aucune solution de rechange, même pour la volaille, les oeufs et le lait.

Mais nous soutenons que, au-delà de ces considérations, il faudrait prendre des moyens particuliers en vue de nous prémunir contre les politiques à long terme de restriction de l'offre qui pousseraient les prix au-delà des niveaux concurrentiels, comme cela s'est produit à notre avis pour les cas de la volaille, des oeufs et du lait. De plus, pour les autres denrées, tel le boeuf, les difficultés que pose la régulation de l'offre (dans le cadre d'un ensemble de politiques) pourraient fort bien être plus grandes, l'attrait moindre et les coûts pour l'ensemble de la collectivité plus importants à long terme.

Nous ne préconisons pas le laisser-faire dans l'industrie du boeuf, pas plus que pour les autres produits agricoles. Mais nous soutenons qu'il ne faudrait pas rejeter du revers de la main les normes d'un marché compétitif. Et nous faisons valoir aussi qu'il faut explorer des méthodes autres que la régulation de l'offre et des prix dans un marché protégé pour traiter des problèmes agricoles.

Sommaire des vues du Conseil sur les offices
de commercialisation des produits agricoles

Permettez-moi de conclure en résumant brièvement la position du Conseil sur les offices de commercialisation des produits agricoles. Le Conseil estime que les offices de commercialisation des produits agricoles ont à leur palmarès certaines réalisations très positives. Ils ont réussi à renforcer le pouvoir de négociation des agriculteurs pour leur faire obtenir de meilleurs rendements. De façon générale, ils ont rapporté tant aux producteurs qu'à l'ensemble de la société parce que les marchés fonctionnent mieux et que la qualité est contrôlée. Je tiens à être très clair sur ce point. Le Conseil appuie les offices de commercialisation des produits agricoles.

Nous avons cependant exprimé des réserves très sérieuses à propos de certains offices de commercialisation, et plus précisément de ceux qui ont des pouvoirs de "régulation de l'offre", par exemple ceux qui contrôlent l'industrie laitière et

la commercialisation des poulets et des oeufs. Ces offices ont le pouvoir de déterminer les prix et de fixer des quotas pour les producteurs individuels. En réalité, ils ont le pouvoir d'établir un cartel et leurs efforts sont soutenus par les contrôles à l'importation. Et ils échappent en plus à la Loi sur les enquêtes relatives aux coalitions. Il ne fait pas de doute qu'ils sont arrivés à augmenter le revenu de leurs membres, mais ce sont les consommateurs canadiens qui ont dû en faire les frais. D'ailleurs, ce ne sont pas les petits exploitants agricoles qui en profitent, mais plutôt les grands producteurs, dont un bon nombre étaient là dès le début.

Nous recommandons une abolition graduelle des pouvoirs de ces offices de régulation de l'offre. Même s'il n'y a pas beaucoup de produits qui tombent sous le coup de ce genre de réglementation, ils représentent une bonne part des dépenses alimentaires des Canadiens. Il s'agit de garder aux offices de commercialisation leurs caractéristiques valables, celles qui ne limitent pas la concurrence, et de réduire leurs activités qui ne le sont pas.

CONFERENCE FEDERALE-PROVINCIALE
DES MINISTRES DE L'AGRICULTURE

Communiqué
le 14 juillet 1981

Lethbridge/Edmonton
(Alberta)
Du 14 au 16 juillet 1981

COMMUNIQUE

AU COURS DE LA PREMIERE JOURNEE DE LA CONFERENCE FEDERALE-PROVINCIALE DES MINISTRES DE L'AGRICULTURE, LES PARTICIPANTS ONT ETUDIE LES QUESTIONS DE LA STABILISATION, DES VERSEMENTS INITIAUX POUR LES CEREALES, DE LA POLITIQUE LAITIERE, DE L'IMPOSITION, AINSI QUE DES POLITIQUES FISCALES, ENERGETIQUES ET DE TRANSPORTS QUI TOUCHENT L'AGRICULTURE.

LE MINISTRE FEDERAL DE L'AGRICULTURE, L'HONORABLE EUGENE WHELAN, A FAIT SAVOIR QUE SES FONCTIONNAIRES, DE CONCERT AVEC DES REPRESENTANTS DU CONSEIL CANADIEN DU PORC ET DE TOUTES LES PROVINCES, ELABORERONT AU COURS DES TROIS OU QUATRE PROCHAINS MOIS UN PLAN NATIONAL DE STABILISATION DES PORCS NECESSITANT LA PARTICIPATION DES PRODUCTEURS.

LE MINISTRE FEDERAL A PRIE INSTAMMENT SES COLLEGUES DE RATIFIER L'ENTENTE LAITIERE NATIONALE QUI A ETE REDIGEE AU COURS DES DEUX DERNIERES ANNEES PAR UN COMITE SPECIAL. LES PREOCCUPATIONS DES PROVINCES ET DE LEURS PRODUCTEURS SERONT PRISES EN CONSIDERATION AU MOMENT DE

LA REVISION ANNUELLE DE L'ENTENTE.

LES MINISTRES PROVINCIAUX DEMANDENT A LEUR TOUR AU MINISTRE FEDERAL DE TRANSMETTRE A SES COLLEGUES LEURS PROFONDES PREOCCUPATIONS QUANT AUX TAUX D'INTERET IMPOSES PAR LE GOUVERNEMENT FEDERAL A L'HEURE ACTUELLE, AUX TRANSPORTS, A L'ENERGIE, A L'IMPOSITION ET AUX POLITIQUES FISCALES AINSI QU'A LEUR INCIDENCE SUR LE MILIEU AGRICOLE.

LE MINISTRE FEDERAL A ANNONCE QUE, POUR VENIR EN AIDE AUX AGRICULTEURS, SON GOUVERNEMENT EST EN TRAIN D'ELABORER DES PROPOSITIONS VISANT A PERMETTRE A LA SOCIETE DE CREDIT AGRICOLE D'OBTENIR DES FONDS SUPPLEMENTAIRES EN EMPRUNTANT DU SECTEUR PRIVE.

DEMAIN, A L'INVITATION DE L'HONORABLE DALLAS SCHMIDT, LES MINISTRES VISITERONT DES EXPLOITATIONS AGRICOLES ALBERTAINES SUR LE TRAJET DE LETHBRIDGE A EDMONTON. JEUDI, LES SEANCES DE TRAVAIL REPRENDRONT A EDMONTON.

CONFERENCE FEDERALE-PROVINCIALE
DES MINISTRES DE L'AGRICULTURE

Communiqué

le 16 juillet 1981

Lethbridge/Edmonton
(Alberta)

Du 14 au 16 juillet 1981

COMMUNIQUE

LA DERNIERE JOURNEE DE LA CONFERENCE FEDERALE-PROVINCIALE DES MINISTRES DE L'AGRICULTURE A EU LIEU A L'HOTEL DU GOUVERNEMENT, A EDMONTON.

LE MINISTRE FEDERAL A PRESENTE UNE STRATEGIE POUR L'EVOLUTION DU SECTEUR AGRO-ALIMENTAIRE CANADIEN D'ICI L'AN 2000. IL A FAIT SAVOIR QUE L'AGRICULTURE CANADIENNE POURRAIT ATTEINDRE SA PLEINE VITESSE DE CROISIERE GRACE A LA PRESENTATION DE PROGRAMMES AMELIORES POUR ASSURER L'EXPANSION DU MARCHE, AU RENFORCEMENT DE LA BASE DES RESSOURCES ET A LA RECHERCHE SPECIALISEE, NOTAMMENT EN SELECTION EUGENIQUE. LE MINISTRE FEDERAL RENCONTRERA LES MINISTRES PROVINCIAUX, DES ORGANISATIONS DE PRODUCTEURS ET DES REPRESENTANTS DU SECTEUR PRIVE CET AUTOMNE. L'EXPOSE DE LA STRATEGIE A ETE DISTRIBUE AUX MINISTRES PROVINCIAUX A TITRE DE DOCUMENT DE TRAVAIL.

LES MINISTRES DE L'AGRICULTURE ONT PRIS CONNAISSANCE D'UN RAPPORT DE M. DAVID SLATER, PRESIDENT DU CONSEIL ECONOMIQUE DU CANADA, QUI S'INTITULE POUR UNE REFORME DE LA REGLEMENTATION, ET L'ONT APPROUVE.

LA CONFERENCE A EGALEMENT RECU UNE CRITIQUE DU RAPPORT DE LA FEDERATION CANADIENNE DE L'AGRICULTURE.

RESUMANT LE CONSENSUS DES MINISTRES, LE MINISTRE DE L'AGRICULTURE DE L'ALBERTA, M. DALLAS SCHMIDT, A DECLARE QUE DES PROGRES AVAIENT ETE ACCOMPLIS EN CE QUI A TRAIT A LA STABILISATION, AU CREDIT AGRICOLE, A LA POLITIQUE LAITIERE ET A L'EXPANSION AGRICOLE. IL A AJOUTE QUE TOUS LES MINISTRES SE REJOUISSAIENT DE LA PROMESSE QU'A FAITE M. WHELAN DE LEUR FOURNIR DES DETAILS SUR L'IMPORTANT PROGRAMME DE STABILISATION DU PORC ET SUR LE CREDIT AGRICOLE ELARGI D'ICI QUATRE MOIS.

DE L'AVIS GENERAL DES MINISTRES, LES PRINCIPAUX SUJETS DE PREOCCUPATION DES AGRICULTEURS A L'HEURE ACTUELLE SONT LES TAUX D'INTERET ELEVES, LES POLITIQUES FISCALES, LE COUT DE L'ENERGIE POUR LES AGRICULTEURS ET LES DEBOUCHES DU MARCHE.

L'HONORABLE ROGER BACON, MINISTRE DE L'AGRICULTURE ET DE LA COMMERCIALISATION DE LA NOUVELLE-ÉCOSSE, A PROPOSE AUX MINISTRES DE TENIR LEUR 32^E CONFERENCE EN NOUVELLE-ÉCOSSE, EN JUILLET 1982.

DOCUMENT: 830-98/016

CONFERENCE FEDERALE-PROVINCIALE
DES MINISTRES DE L'AGRICULTURE

Communiqué de presse

Utilisation de pesticides dans l'agriculture

Saskatchewan

Lethbridge/Edmonton
(Alberta)

Du 14 au 16 juillet 1981

De l'avis de M. Gordon MacMurchy, ministre de l'Agriculture de la Saskatchewan, l'utilisation de pesticides dans l'agriculture préoccupe de plus en plus les agriculteurs et le grand public.

M. MacMurchy s'est dit inquiet de l'insuffisance des données pouvant définir les répercussions à long terme, sur le milieu et sur la santé, de l'utilisation de produits chimiques dans le secteur agricole.

Selon lui, les produits chimiques constituent un moyen très efficace de protéger les récoltes contre le danger que représentent les insectes et les mauvaises herbes. Sans eux, la production agricole s'en trouverait considérablement réduite.

Il a en outre souligné le fait que les essais de nouveaux produits chimiques et la surveillance des produits autorisés relèvent du gouvernement fédéral. Toutefois, les conclusions de certains rapports concernant l'essai de produits chimiques se sont révélées erronées, compromettant ainsi la crédibilité du gouvernement fédéral. Ce dernier devra donc tout mettre en oeuvre pour prouver de nouveau sa compétence dans ce

domaine et, pour ce faire, améliorer ses techniques d'expérimentation et effectuer un plus grand nombre d'essais en laboratoire.

A long terme, le gouvernement fédéral devrait travailler à réduire l'utilisation des produits chimiques dans le secteur de l'agriculture et, à cette fin:

1. effectuer des recherches plus poussées pour diminuer la dépendance des agriculteurs à l'égard des produits chimiques (par exemple, des procédés de contrôle cultural et biologique);
2. mettre au point des méthodes d'utilisation perfectionnées et plus efficaces et permettant de réduire:
 - la fréquence d'utilisation,
 - les dangers auxquels s'expose l'utilisateur, et
 - le risque de voir ces substances emportées par le vent;
3. exercer un meilleur contrôle sur les mauvaises herbes et les insectes nuisibles afin de déterminer le seuil minimal de risques pour les récoltes et de prévenir les proliférations;
4. obtenir et fournir une meilleure information quant aux effets de ces produits chimiques sur les humains et sur les animaux, et ce, grâce à l'augmentation des ressources au

sein des ministères de l'Agriculture et de la Santé nationale et du Bien-être social.

En ce qui a trait au 2-4D, le ministre a souligné que le gouvernement fédéral n'a toujours pas donné de précisions aux provinces quant aux motifs de l'interdiction prononcée à l'endroit de ce produit.

Il a également déclaré que le gouvernement de la Saskatchewan est prêt à apporter son entière collaboration à la création de programmes de sécurité et d'information destinés à renseigner les agriculteurs sur les moyens de se protéger des effets des produits qu'ils utilisent. Toutefois, il a insisté sur la nécessité de disposer d'une information adéquate pour mener à bien cette entreprise.

Enfin, M. MacMurchy a affirmé son intention de harceler le gouvernement fédéral relativement à ce problème pendant la deuxième journée des travaux de la Conférence des ministres de l'Agriculture à Lethbridge.

CONFERENCE INTERPROVINCIALE
DES MINISTRES DE L'AGRICULTURE

Communiqué de presse annonçant
la tenue d'une conférence fédérale-provinciale des ministres
et sous-ministres de l'Agriculture

Publié le 30 juin 1981

Alberta

Lethbridge (Alberta)

Le 13 juillet 1981

MINISTÈRE: Agriculture
MINISTRE: M. Dallas W. Schmidt
DATE: le jeudi 30 juin 1981
OBJET: Conférence fédérale-provinciale des ministres de
l'Agriculture

Le ministre de l'Agriculture de l'Alberta, M. Dallas W. Schmidt, a annoncé aujourd'hui que la Conférence fédérale-provinciale des ministres et sous-ministres de l'Agriculture se tiendra cette année dans cette province, du 13 au 16 juillet.

Cette conférence, qui durera trois jours, sera divisée en deux sessions qui auront lieu à deux endroits différents: à Lethbridge (les 13 et 14 juillet), puis à Edmonton (le 16), où les ministres et sous-ministres se seront rendus la veille.

Les délégations provinciales arriveront à Lethbridge le 12 juillet. Comme par le passé, seuls les ministres et sous-ministres provinciaux de l'Agriculture seront présents le premier jour de la conférence. Le ministre fédéral se joindra à eux les deuxième et troisième jours.

Selon M. Schmidt, ces conférences annuelles se sont révélées des instruments de communication des plus utiles. Elles donnent aux onze ministres de l'Agriculture l'occasion de se rencontrer et, pendant plusieurs jours, de partager leurs vues sur

l'agriculture, tant sur le plan national que sur le plan régional, et d'obtenir ainsi une image plus claire de la situation de l'agriculture au pays.

Bien qu'on n'ait pas encore confirmé de façon définitive les questions qui figureront à l'ordre du jour, les échanges porteront sur les grands problèmes que connaît actuellement l'agriculture.

Toujours selon M. Schmidt, qui, cette année, présidera la Conférence, les ministres seront appelés à se pencher sérieusement sur le problème de la péréquation. De plus, bien qu'ils ne figurent pas encore officiellement à l'ordre du jour, les graves problèmes de transport des céréales que connaît actuellement le Canada devraient aussi faire l'objet d'un débat.

Le document déposé par le gouvernement de l'Alberta à la conférence de 1980, tenue à Toronto, et qui traitait des politiques et des programmes provinciaux relatifs au crédit et à la péréquation, a reçu un accueil favorable. Le document de cette année fera ressortir la complexité croissante de la technologie agricole et parlera de l'utilisation actuelle et future de l'ordinateur dans l'industrie de l'agriculture.

Toutes les sessions seront tenues à huis clos. Chaque jour, des communiqués seront publiés à la fin des débats. Une

conférence de presse officielle marquera le dernier jour de la
rencontre.

Renseignements: M. Brian D. Walton

Adjoint exécutif du ministre de l'Agriculture

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CONFÉRENCE INTERPROVINCIALE
DES MINISTRES DE L'AGRICULTURE

Communiqué de presse

13 juillet 1981

Saskatchewan

Lethbridge (Alberta)

13 juillet 1981

13 juillet 1981

Communiqué de presse

Le ministre de l'Agriculture de la Saskatchewan, M. Gordon MacMurchy, a déclaré que la Conférence des ministres de l'Agriculture, qui a débuté à Lethbridge le 13 juillet, devrait étudier en priorité la question des taux d'intérêt.

Selon M. MacMurchy, il ne fait aucun doute que l'effet destructif de taux d'intérêt élevés sur les opérations agricoles constitue la principale préoccupation des agriculteurs.

Il a mentionné que le secteur agricole, tout comme les autres secteurs de l'économie, souffre des taux d'intérêt les plus élevés qu'ait jamais connus le Canada. Dans le cas de l'agriculture, cette situation signifie un coût de production plus haut, une production réduite et, finalement, une augmentation du prix des aliments pour le consommateur canadien.

De l'avis du ministre, ces taux d'intérêt sont donc eux-mêmes inflationnistes. Ils ne sont par un remède à l'inflation, mais une de ses principales causes.

Le ministre a incité le gouvernement fédéral à abandonner sa politique de taux d'intérêt élevés comme moyen de combattre l'inflation. Le gouvernement de la province estime

qu'elle est inefficace, car ces taux réduisent la production, ce qui en retour engendre des augmentations dans les prix.

Un seul échelon de gouvernement fixe les taux d'intérêt au Canada - c'est le gouvernement fédéral, a déclaré M. MacMurchy. Il l'a donc prié de prendre immédiatement des mesures pour contrôler l'économie canadienne et freiner l'inflation.

Il lui a tout particulièrement demandé:

1. de conclure avec les provinces productrices une entente sur le prix de l'énergie ;

- une entente à long terme stimulerait la mise en valeur de nouvelles sources d'énergie et revitaliserait la production existante;

- elle ferait renaître la confiance dans d'autres secteurs. Elle garantirait aux agriculteurs et autres consommateurs d'énergie la sécurité des approvisionnements qui est essentielle à l'accroissement de la production;

- elle réduirait la nécessité d'importer de grandes quantités de pétrole - une cause importante de pressions inflationnistes;

2. d'investir dans le réseau de transport pour garantir que les exportations de plus en plus nombreuses du secteur agricole et d'autres secteurs peuvent être acheminées vers les marchés mondiaux.

D'après M. MacMurchy, ces mesures constitueraient un important point de départ dans le contrôle de notre économie. En outre, elles aideraient beaucoup à ramener l'inflation à des taux minimums.

A ce sujet, le ministre a incité le gouvernement fédéral à appliquer une politique plus indépendante relativement aux taux d'intérêt, c'est-à-dire à ramener nos taux à un niveau bien inférieur de ceux des États-Unis, même si cette mesure occasionnerait la baisse du dollar.

M. MacMurchy a également déclaré que l'industrie agricole a un besoin pressant de mesures qui permettront de stabiliser les revenus agricoles et de protéger les agriculteurs contre les fluctuations dans le prix de leurs produits - en particulier le prix du boeuf et celui du porc. Il a ajouté qu'il inciterait de nouveau le gouvernement fédéral à adopter un programme national efficace de commercialisation et de stabilisation des prix pour les producteurs de porc et de boeuf.

D'année en année, la réduction des prix empêche ces deux groupes de producteurs de se prévaloir de possibilités d'expansion, car ils ne sont pas protégés contre les fluctuations qui se produisent sur le marché, a ajouté M. MacMurchy.

D'après lui, c'est au niveau national que les programmes de commercialisation et de stabilisation peuvent être les plus efficaces. Il a également mentionné que ces programmes devraient faire partie de la stratégie fédérale de lutte contre l'inflation, car la sécurité du revenu qu'ils assureraient aux producteurs encouragerait ceux-ci à produire, pour les consommateurs, des quantités suffisantes d'aliments à des prix raisonnables.

M. MacMurchy a finalement déclaré que l'industrie agricole peut, en produisant à son maximum, aider l'économie canadienne à freiner l'inflation. Mais elle ne peut le faire que si la conjoncture en matière d'énergie et de sécurité du revenu est favorable. Il appartient manifestement au gouvernement fédéral de créer cette conjoncture.

DOCUMENT: 830-98/015

FEDERAL-PROVINCIAL CONFERENCE
OF AGRICULTURE MINISTERS

Press Communique

July 14, 1981

Lethbridge/Edmonton
(Alberta)
July 14-16, 1981

FOR IMMEDIATE RELEASE

JULY 14, 1981

PRESS COMMUNIQUE

AT THE FIRST DAY OF THE FEDERAL-PROVINCIAL AGRICULTURAL MINISTERS CONFERENCE, STABILIZATION, INITIAL PAYMENTS FOR GRAIN, DAIRY POLICY, TAXATION, FISCAL, ENERGY AND TRANSPORTATION POLICIES AS THEY AFFECT AGRICULTURE, WERE DISCUSSED.

FEDERAL AGRICULTURE MINISTER, HONOURABLE EUGENE WHELAN, SAID THAT HIS OFFICIALS ALONG WITH REPRESENTATIVES FROM THE CANADIAN PORK COUNCIL AND ALL THE PROVINCES WILL COME UP WITH A NATIONAL HOG STABILIZATION PLAN INVOLVING PRODUCERS' PARTICIPATION IN THE NEXT 3 TO 4 MONTHS.

THE FEDERAL MINISTER URGED HIS COLLEAGUES TO SIGN THE NATIONAL DAIRY AGREEMENT WHICH HAS BEEN DEVELOPED OVER THE LAST TWO YEARS BY A SPECIAL COMMITTEE. CONCERNS OF THE PROVINCES AND THEIR PRODUCERS WILL BE ADDRESSED IN THE ANNUAL REVIEW OF THE AGREEMENT.

THE PROVINCIAL MINISTERS URGED THE FEDERAL MINISTER TO CONVEY TO HIS COLLEAGUES THEIR GREAT

CONCERN ABOUT PRESENT FEDERAL INTEREST RATE, TRANSPORTATION, ENERGY, TAXATION AND FISCAL POLICIES AND THEIR EFFECT ON THE FARM COMMUNITY.

THE FEDERAL MINISTER INDICATED HIS GOVERNMENT, TO HELP FARMERS, IS DEVELOPING PROPOSALS TO PERMIT THE FARM CREDIT CORPORATION TO OBTAIN ADDITIONAL FUNDS BY BORROWING FROM THE PRIVATE SECTOR.

TOMORROW, AT THE INVITATION OF THE HONOURABLE DALLAS SCHMIDT, THE MINISTERS WILL BE TOURING ALBERTA FARMS BETWEEN LETHBRIDGE AND EDMONTON. ON THURSDAY, FORMAL MEETING WILL RESUME IN EDMONTON.

FEDERAL-PROVINCIAL CONFERENCE
OF AGRICULTURE MINISTERS

Press Release

Use of pesticides in agriculture

Saskatchewan

Lethbridge/Edmonton
(Alberta)

July 14-16, 1981

"The use of pesticides in agriculture has become an issue of growing concern of farmers and the general public," said Gordon MacMurchy, Saskatchewan's Agriculture Minister.

Mr. MacMurchy expressed great concern that the long-term environmental and health implications of agricultural chemicals are not well established and backed up by factual information.

"Agricultural chemicals are an important line of defence for farmers in protecting their crops from insects and weed infestations. Without them at this time the level of agricultural production would be seriously hampered," he said.

Mr. MacMurchy stated that the proper testing of new chemicals and the monitoring of licensed products is a federal responsibility. The credibility of federal testing has been placed in jeopardy by invalid reporting of some chemical tests. The federal government must work hard to restore its credibility in this field by improved testing techniques and by conducting more of the tests in-house.

For the long-term, the federal government should work towards minimizing the use of chemicals in agriculture through:

1. Conducting more research into methods of reducing farm dependence on chemicals (e.g. cultural and biological controls).
2. Developing more efficient and refined methods of chemical application:
 - methods to reduce required rates of application;
 - methods to reduce user exposure to chemicals;
 - methods to reduce drift.
3. Improved monitoring of weed and insect pests to determine economic threshold levels and to predict potential outbreaks.
4. Expanded resources in federal departments of Agriculture and Health and Welfare to further refine information and obtain facts on chemical impacts on humans and animals.

With respect to 2-4D, Mr. MacMurchy noted that the federal government has still not provided any new information to the provinces on which the banning of certain 2-4D compounds was based.

"The Saskatchewan Government is prepared to fully co-operate in conducting safety and educational programs to inform farmers about the safeguards required in the use of chemicals. But we can't do our job unless we have the factual information on which to base our extension program," said MacMurchy.

Mr. MacMurchy said he will be pressing the federal government hard on this issue during the second day of the Agricultural Minister's conference at Edmonton.

DOCUMENT: 830-98/017

FEDERAL-PROVINCIAL CONFERENCE
OF AGRICULTURE MINISTERS

Press Release

The Economic Council of Canada's Report

Saskatchewan

Lethbridge/Edmonton
(Alberta)
July 14-16, 1981

PRESS RELEASE

"The Economic Council of Canada Report on Regulation is nothing more than a blatant and unjustified attack on the orderly marketing of farm products" said Gordon MacMurchy, Saskatchewan Agriculture Minister during discussion of the Report at the annual Agriculture Ministers Conference.

The ECC Report claims that consumers are overcharged for farm products when sold through a marketing system with supply management. The Council points to high quota value as evidence of overpricing of eggs, milk and poultry.

Mr. MacMurchy strongly supported the CFA criticism of the Council's Report.

"Not only is the Report without analytical foundation, but it choses to ignore the historical basis for the development of orderly marketing in Canada", said Mr. MacMurchy.

The development of orderly marketing in Canadian agriculture has been a search for income stability and a struggle to eliminate exploitation in the marketplace. In their efforts to improve their market position, farmers have given consumers the benefit of adequate and reliable food supplies at reasonable prices.

"By ignoring history, the ECC has unfairly treated the subject of regulation as it pertains to Agriculture", said Mr. MacMurchy.

The Minister stated that by focussing on the wrong question, they have come up with irrelevant answers and proposals that would spell disaster for the agriculture industry in Canada. "Free market pricing and unregulated production would return us once again to the days of massive farmer and consumer exploitation in the marketplace - a situation that serves the interests of only the large multinational food chains," MacMurphy concluded.



PRESS RELEASE

The Canadian Federation of Agriculture

For immediate release
11 June 1981

CFA Responds to ECC "Reforming Regulation"

OTTAWA - The Economic Council of Canada (ECC) has done nothing but tilt against supply management marketing boards instead of addressing large and important subjects of regulation in agriculture, because of an ideological preoccupation with "that great free market in the sky", the CFA said in a statement released here today.

"There is no interest (on the part of the ECC) in the large and important subjects of agricultural regulation relating to the preservation of agricultural land, to the conservation of the soil, to the protection of health and assurance of quality in foods, to the creation of proprietary rights in plant breeding, to socio-economic issues related to land ownership and tenure, to the relationship of grain marketing systems to world food security", the statement said.

Instead, the Council chose to attack supply management marketing boards, while disregarding the reasons for the creation of such boards in the first place.

With perfect myopia, the statement continued, the ECC chose to focus on quota values and draw their conclusions from them. The charges of overpricing of milk, eggs and poultry based on these values are the result of faulty and unsupportable analysis.

"The CFA unqualifiedly rejects that analysis as a valid one", the statement said, "it is facile, prejudiced and theoretically unsupportable."

The proper basis of assessing costs, and the one that is used for setting prices, is to examine actual surveyed costs of production at better than average levels of productivity. In this process, quota value can and is excluded from the costs of production. In no way are they a measure of excess pricing.

The ECC central recommendation that production of supply managed commodities be progressively increased and prices reduced until quotas have no value simply amounts to recommending that producers should be underpaid for their labour, for their management skills and for their capital investment. The principle of fair and reasonable returns to labour, management, and capital has been endorsed by all governments in Canada. It is the purpose of the supply management systems to do this while avoiding the instabilities and vicious economic attrition of producers that the free market system ensures.

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Response of the
Canadian Federation of Agriculture
to
The Report "Reforming Regulation"
of the
Economic Council of Canada
as Regards Agriculture
June 11, 1981

The outstanding feature of the Report of the Economic Council as regards agriculture is the inevitability of its findings, and of the narrowness of its perspective that was evident from the very start of the enquiry and the choice of consultants. The purpose was to condemn, and if possible, to destroy those commodity marketing systems that have replaced uncontrolled production and pricing systems with planned and regulated production and administered pricing. This becomes in the end the nearly exclusive preoccupation of the Council agriculturally. There is no interest in the large and important subjects of regulation relating to the preservation of agricultural land, to the conservation of the soil, to the protection of health and assurance of quality in foods, to the creation of proprietary rights in plant breeding, to socio-economic issues related to land ownership and tenure, to the relationship of grain marketing systems to world food security. None of these are of interest to the Council.

But the creation of planned systems of production and marketing of some agricultural commodities, with the corollary necessity of import regulation and assignment of production rights (quotas) is anathema and it must be shown - and if not shown, assumed - that such systems overcharge the consumer, transfer income to the producer, inhibit productivity improvement, and above all fail to perfectly simulate - not the results and conditions that a so-called free market actually produces, but what the idealogues that we are dealing with believe should be produced in that great free market in the sky. The historical reasons for the creation of supply management systems and their evolution are irrelevant to the Council.

It is consistent with this bias that, with perfect myopia, attention is focussed on the measurement of, and drawing of conclusions from, the market price that emerges from a supply-managed system, namely the price of quotas. Here, they conclude, must be the only evidence worth looking at - for is it not a result of market forces! Behold, they say, quota has acquired a value for some people. If that is so then that value must be an overcharge to the consumer, because otherwise the person paying for that quota - if he could get it free - would not have to get so high a price. If that man can do it so should everybody. So the value of the quota is a measure of the overcharge to the consumer. It is done! The ghost of Adam Smith can rest in peace.

It is irrelevant, they say, decidedly not worth looking at (and they don't) what it actually costs to produce the product, which is in fact the only acceptable, reasonable, or practical way of determining a proper level of administered prices. It matters not what wages for work done should be or are paid; what costs are incurred for fuel, fertilizer, taxes, veterinaries; what capital investment are required, how they are valued, and what return they should receive. All this is irrelevant, the Council in effect says.

Accordingly, the central operational recommendation of the Economic Council is that there should be a gradual increase in global quota allocations for milk, eggs, turkeys and chicken over a period of 5 to 10 years, and the price established at levels to clear the market. The prices so arrived at would be lower than those present policy now yields, and the criteria for determining if the policy is successful would be that quota values would progressively drop, if not to zero, then to much lower levels than now obtain. The justification the Council sees for this recommendation is rooted in its acceptance of the excess-pricing analysis based on the evidence of quota values.

The Canadian Federation of Agriculture unqualifiedly rejects that analysis as a valid one. In fact the system is a dynamic, not a static one, and producers are not a homogeneous group. What some persons are prepared to pay for quota cannot measure an excess of price in the system as a whole by any standard of reasonableness or equity, since to claim such should be the case and correspondingly to reduce the price would be to underpay all producers, including the purchaser of the quota who deserves to be paid for his superior performance, and/or deserves to invest his proper returns if he so wishes, in the expansion of his enterprise.

The only fair and reasonable way to administer prices of supply-managed commodities is on the evidence of actual cost surveys, as is now done. There are judgemental decisions to be made in arriving at prices based on such evidence that can fairly be discussed and debated, but to use quota values as a guideline instead is unacceptable. It must also be emphasized that quota values must not be, and are not, included as capital costs in preparation of cost data.

Accompanying this statement is an Addendum elaborating our views on this matter at some length. The material in the Addendum also appears in a general submission for presentation and discussion with Members of Parliament on June 16, 1981.

The Economic Council says too that it would like to see quantitative import controls abandoned in favour of tariffs in the longer run. The trouble with this is that, in the first place, it is not possible to stabilize the price - a primary objective of supply management and a legitimate one - if imports can come in at the highly variable prices characteristic of unregulated markets. Nor is it possible to properly manage the supply in relation to the demand. This recommendation is tantamount to destruction of the system. The Council would like to see the supply management plans, like the old soldier, not die but just fade away.

The Council also wants a gradual movement to interprovincial purchase and sale of individual quota holdings so that the quota will move interregionally to areas of greatest comparative advantage. This raises many complex issues, differing commodity by commodity, but it can be said with some confidence, that this is an unacceptable option to the provinces and to producers for the most part. It does not square with industrial strategy objectives of the regions of this country to put their commodity base in jeopardy. The national supply management systems are based on carefully negotiated agreements between provinces and the federal government, and with producers - a fact the Council report manages to ignore.

The Council recommends that sale of quota tied to physical facilities not be permitted. Quota-transfer on this basis is far from unknown and has its place. It is not, however, appropriate as a strict rule, because to put in jeopardy ongoing enterprises through inability to match up the quota with the transfer of the farm can unfairly and unreasonably endanger the continued use of productive physical plant.

The Council recommends that the Canadian Milk Supply Management Committee and the Canadian Dairy Commission be subject to supervision and adherence to the guidelines of the National Farm Products Marketing Council, as is the case with eggs, chickens and turkeys. The Economic Council seems to misunderstand the nature of the industrial milk institutional structure. It observes at one point that "...it is the Canadian Milk Supply Management Committee (CMSMC) which sets prices and interprets the cost of production formulas for industrial milk, along with the Canadian Dairy Commission." In fact, the CMSMC has no function in the setting of prices or examining costing data, and does not discuss these matters. It is an organization of representatives of provincial government milk commissions where there are no producer boards (4 provinces); producer boards; and government supervisory agencies where

there are producer boards. The CDC is also a member, and where there are no producer boards producer association representatives are also seated. The CMSMC deals with global and provincial quota allocation, the collection of producer levies to defray costs of export subsidization, and other matters related to the operation of the system - other than pricing. Butter and powder support prices are set by Cabinet under the authority of the Agricultural Stabilization Act, as is the direct subsidy, with of course the active involvement of the CDC as advisor to the government. The CDC administers the subsidy funds and the butter/powder support purchase programs, and export programs and revenues from producer levies. On pricing, Dairy Farmers of Canada makes representations to the government as an association, as does the National Dairy Council of Canada for the processors, and anyone else who cares to do so. The relevance of the ECC proposal is in considerable doubt under these circumstances.

The Council also recommends a system of appeals from individuals to the National Farm Products Marketing Council be instituted, for negotiation in the first instance under NFPMC auspices, and if necessary to a special Quasi-Judicial Appeals Tribunal. This is not a suggestion that should be rejected out of hand, but one that requires careful study.

The Council's statement that there should be a reasonable balance of interests represented on supervisory boards is one with which one cannot quarrel in principle. However, the objective of balance should not mean, in practice, deliberately structured confrontation on the very principles of marketing boards. This would not be a proper result. The responsibility of supervisory boards to have regard for the public interest, as well as those of producers, and to guard against abuse and malfunction of the marketing plans is of course unquestioned.

There are some statements in the report that should be referred to by way of correction of misapprehensions they create:

- Canadian milk production per cow is not 30 per cent below U.S. levels but, on the most recent revised and improved basis of calculation is 15 per cent below.

- There is no dependable evidence that productivity in the U.S. dairy industry has been rising faster than in Canada.

- There is no bias in the system toward breeding for "more butterfat and less protein" in milk cows, since breeding for more protein does not genetically require breeding for less butterfat. There is increasing interest in fact in the system in breeding for protein, and the Council's views on how non-fat solids should be priced would reduce the incentive to breed for this factor.

- It is not the case that "no current data are available on the incomes of Canadian dairy farmers". There is a very extensive survey of Ontario milk producers that can provide such data for 1977, 1978, and shortly, 1979 and 1980. The analysts employed by the Council have, in general, been uninterested in actual cost data, preferring to rely on their specious quota value analysis as a way of proving farmers are overpaid, and consumers overcharged.

- The statement that the milk supply management system is likely to result in "a reduced supply of new, vigorous entrepreneurial talent to dairy farming in future" is unsupported and gratuitous. In fact all the evidence points to the opposite happening - an active upsurge of managerially competent, progressive producers. This is an example of inserting convenient and unsupported assumptions.

- the Canadian Wheat Board does not have "control over domestic production", as the Council states.

Canadian Federation of Agriculture

(Note: The CFA is a national federation of farmers' organizations comprehensively representative of all commodity interests across Canada. It is also the organization administering Dairy Farmers of Canada, the Canadian Egg Producers Council and the Canadian Pork Council, which are the national producer associations for these three commodities.)

Addendum to CFA Response to
"Reforming Regulation" (EEC)

(Excerpted from June 1981 general CFA Statement to Members of Parliament)

3. Regulation Reference

28. It is necessary to take some space to address the issues raised by the studies of supply management systems (milk, eggs and chicken) carried out under the Regulation Reference to the Economic Council of Canada.

29. The argument, found in one study, that Canada's industrial milk industry should be expected to receive prices equivalent to world market prices or else import the product can and should be dealt with very briefly. Such a view is completely unacceptable since the world market price is essentially that at which surpluses, basically those of the European Economic Community, can be disposed of. To dismantle a major part of Canada's dairy industry to take advantage of such prices is wholly unacceptable and not worthy of serious consideration. It would be an unacceptable policy also to every provincial government, and we are sure to the federal government.

30. What we wish principally to address is the contention that, in relation to Canadian costs of production and producer returns, milk, eggs and chicken are overpriced. The basis of this type of analysis is to use quota values as a measure of excess pricing, and the theoretical justification for the conclusions reached flow from a form of equilibrium analysis. In Appendix 4 there is a "Note on the thesis that quota values are a measure of excess pricing" which attempts to describe the nature of this equilibrium analysis as briefly as possible (2 pages).

31. What this type of analysis says is in effect that the price in a supply management system should be kept low enough that the quota isn't worth anything even to the lowest cost producers because with a little bit of luck we might get the eggs/milk anyway. It says the demand for quota should never exceed the supply at a zero quota value level and that is the equilibrium we should be after. Keep everybody ground down as far as possible, and only raise the price if you have to to get the product. Let us, to put it bluntly, put the producers on the shortest rations that they will tolerate - that is good enough for them.

32. The analysis says, moreover, that if this grinding down isn't carried out, productivity in the industry will not increase as fast as it should - producers will rest on their oars and the industry will show poorer performance than the free market would provide.

33. Now, in a free market there are always producers whose costs are greater than those of others. The free market theory requires that these producers will go to the wall in the movement towards equilibrium unless (i) they lower their costs or (ii) accept lower returns because they prefer to or must. Moreover, this is often not a nice gradual process but one characterized by a high degree of price and even more of income instability. Many producers are knocked out before they have a chance to improve their productivity, or because of higher debt as a proportion of capital, or because their incomes are reduced to below their equilibrium minimum living requirement and so on. The reality of the free market is not a sanitized set of curves on a graph, with everybody seeming to slip quickly and quietly into his notch. It is rather a battle all the way, with the rewards by no means always going to the most deserving or even the most efficient. Not only this, but the free market process, being characterized by more people wanting to farm than there is a place for, plus eternal optimism on the part of many farmers, plus a lack of alternative opportunities to many, means that the free market situation tends not only to be highly unstable, and economically vicious in its impact on the losers, but also one that keeps the "equilibrium" level of returns inequitably low.

34. This is why we have supply management plans.

35. This analysis which measures excess pricing by quota values must then be understood in relation to the marginal equilibrium analysis described in Appendix 4. We are talking now about administered, price supply managed, systems. At any given time such a system is necessarily in a position of disequilibrium (as it is in a free market system also). Nevertheless, the analysis argues that the going price, less the amount of the price that at a given interest rate and term of amortization the current quota value represents, is in fact the theoretical equilibrium price at that point of time. The amount deducted from the actual price by this calculation is therefore said to yield the "right" price in the sense that, being an equilibrium price, it should reflect the average costs of all the producers in the system, and therefore the actual price is overcharging consumers by the quota value amount on all of the product. This is how the "cost" to consumers of \$56 million per annum for eggs is arrived at (it includes also the cost of administering the system - considered as unnecessary in the first place).

36. The quarrel we have with this kind of analysis, which is the basis of the claims consumers are being overcharged, are:

(i) By seeming to promise an instant adjustment to theoretical long-term equilibrium it distorts, and indeed falsifies, the position.

(ii) The argument that productivity gains are held back is not only unsubstantiated, the evidence points the other way. The only measure we have, i.e. rate of lay per bird, of performance for eggs in the pre-supply management period of 9 years, compared to the first 9 years of supply management, shows that annual increases in performance have been substantially higher in the supply management period. The record of production per cow and industry consolidation indicates good productivity performance in the milk sector under supply management. The studies of the Independent Committee on the Dairy Review recognized "major" productivity gains during the 1970's period of national supply management. We do not say it is proved that supply management ensures better productivity performance, although we are strongly inclined to think this has been so. We do say the easy assumption that it holds back productivity improvement is completely unproved.

(iii) The bottom line of the producer position is that producer costs - actual costs - should be measured by survey, and taking into account target productivity performance at better than average levels, and fair returns for labour, capital and management the price should be determined. Periodic surveys will capture productivity increases and these will be passed on to consumers. The costs so surveyed should not include investments in purchased quota, and these can be and are excluded from costing.

(iv) If quotas are traded, and some producers are willing to pay for them, such payments cannot properly be regarded as a measure of excess pricing. It just means that for a variety of reasons they are willing to pay to expand their production - and usually improve their productivity. Consumers gain by this, sellers of quota receive some compensation for the costs of going out of production, and buyers of quota advance their own personal objectives. There is nothing necessarily wrong with this, although there are real issues about the best way to administer quota. Those issues are mainly producer issues. If the price is set fairly in relation to costs of production and quota values are not capitalized in the price the consumer is not unfairly treated.

37. In conclusion on this subject we must be clear that there are judgemental elements involved in administered pricing. A higher price to producers will undoubtedly provide higher quota values than a lower one. Our point is that careful and proper price-setting on the basis of measured producer costs and returns is the way to price, and can be quite adequate to the purpose. To ignore cost evidence in favour of relying on quota values as evidence is the wrong way to go. To take out all incentives on the part of any producer to pay for quota is to underpay most producers and in all likelihood would create a shortfall in production, and an inability of the system to adapt adequately to the challenges of new technology. A well administered supply management system will do the job of stabilizing the industry and do a good - probably a better - job for the consumer than the so-called free market, which in reality is very imperfect in its functioning. A system of administration of quota allocation exclusively by administrative rules has some attractiveness and is advocated by some producers, and should not be rejected out of hand as an option. It also as an option probably is less in the interests of consumers than a system of quota negotiability in which the quota flows with more dependability to the more productive producers.

Note on the Thesis that Quota Values are a
Measure of Excess Pricing

There is a theoretical long-term equilibrium position assuming a free market with "perfect competition", at which price is determined as the point where it equals marginal cost and marginal cost equals average cost. Marginal costs are the costs of producing an extra unit of product. At equilibrium, price equals marginal cost because if marginal cost is less than the price some producers can increase their returns by increasing their production or entering the market. In an equilibrium sense, the industry would not move into a position where marginal cost exceeds price, the price being determined by the intersection of the demand and the supply curves. The long-term industry supply curve will at any point along it measure a volume of production at which the average and marginal costs of all the producers in the industry are equal at that price. An increase in demand and therefore in price will result in more production because marginal costs will fall below marginal revenues. In the industry adjustment that takes place in response to this situation, resources are added and production increased at a higher marginal cost and average cost also rises. The new equilibrium will again be reached where marginal cost and average cost are equal at a price level where the supply equals the demand at that price.

The theoretical implication of this analysis is that, at equilibrium, the individual producers in the system all have the same marginal and average costs, otherwise some would be expanding. In this sense, at equilibrium, the industry is homogenous - not physically, but in terms of the supply-response position of each individual producer in the system.

This is the theory. In reality equilibrium is never of course reached. The basic demand functions are in continuous flux, and so are the underlying supply functions, as a result of changes in cash costs, opportunity costs, technological change. Also, the market signals (price compared to marginal costs) do not result in precise adjustment, sometimes undershooting and sometimes overshooting the mark, creating the cyclical phenomenon, and a good deal of economic waste and human distress in the process.

The supply response curve of an individual is therefore not a simple measure of either technological efficiency, or income requirements. For an individual, his costs as indicated by his hypothetical supply response curve reflects both his and his family's technical efficiency and income requirements - particularly as measured by his alternative opportunities - and personal

life preferences. For the individual, also, his supply response is affected by his willingness to take risks, and his assessment of the future.

The marginal supply demand analysis therefore must be understood, not so much as incorrect (it is the conclusions drawn from it that can so easily be incorrect), as being a description of a reality that is inherently insecure and dependent for its functioning on continuous economic attrition. A system of perfect (i.e. instant and costless) mobility of labour and capital, and static cost and technology conditions does not in reality exist. In reality equilibrium not only is never reached, but the system's effort to reach it requires a continuous process of individual business failures and costly miscalculations. The degree of stability that the system actually evidences, also, in that production swings are not in the high, say 50-60% range, but more in the 5-20% range, only exists in a free market system because of the lack of alternative opportunities of individuals in it. Most producers, at times of depressed prices, have to take their lumps. They do not live and work in a dream world of perfect mobility. The free market system has to get vicious as it constantly moves toward, but never reaches, a position where $\text{price} = \text{marginal cost} = \text{average cost}$ for all producers at the same price.

CONFÉRENCE FÉDÉRALE-PROVINCIALE
DES MINISTRES DE L'AGRICULTURE

Communiqué

Rapport du Conseil économique du Canada

Saskatchewan

Lethbridge/Edmonton

(Alberta)

14 au 16 juillet 1981

COMMUNIQUE

"Le Rapport du Conseil économique du Canada pour une réforme de la réglementation n'est rien d'autre qu'une attaque flagrante et injustifiée contre la commercialisation méthodique des produits agricoles", de déclarer M. Gordon MacMurchy, ministre de l'Agriculture de la Saskatchewan, à l'occasion des débats qui ont eu lieu sur ce rapport au cours de la Conférence annuelle des ministres de l'Agriculture.

Le rapport du C.E.C. prétend que les consommateurs payent trop cher pour les produits agricoles qui sont vendus par l'entremise d'un système de commercialisation assorti d'un mécanisme de gestion des approvisionnements. Le Conseil attribue à la valeur élevée des contingents le prix exagéré des oeufs, du lait et de la volaille.

M. MacMurchy a appuyé fortement la critique du rapport du Conseil faite par la Fédération canadienne de l'agriculture.

"Non seulement le rapport est-il sans fondement analytique, mais il ne tient aucun compte des données historiques qui ont donné naissance à la commercialisation méthodique au Canada", d'ajouter M. MacMurchy.

Le développement de la commercialisation méthodique dans le secteur de l'agriculture au Canada est le fruit des efforts des agriculteurs en vue de stabiliser leurs revenus et de mettre fin à l'exploitation dont ils étaient victimes sur le marché. A cette fin, ils ont permis aux consommateurs de bénéficier d'approvisionnements suffisants et sûrs, à des prix raisonnables.

"En ne tenant aucun compte de l'histoire, le C.E.C. a été injuste dans l'analyse qu'il a faite de la réglementation applicable à l'agriculture", de poursuivre M. MacMurchy.

Le ministre a indiqué qu'en s'écartant du noeud véritable de la question, le Conseil a abouti à des solutions hors de propos et avancé des propositions synonymes de désastre pour l'industrie agricole au Canada. "Le retour à la libre fixation des prix du marché et à la production non réglementée nous ramènerait à l'époque de l'exploitation massive des agriculteurs et des consommateurs, situation qui sert uniquement les intérêts des grandes chaînes multinationales d'alimentation", de conclure M. MacMurchy.

Réaction de la
Fédération canadienne de l'agriculture
au
Rapport "Pour une réforme de la réglementation"
du
Conseil économique du Canada
en ce qui concerne l'agriculture
11 juin 1981

La particularité la plus frappante du rapport du Conseil économique en ce qui concerne l'agriculture est l'inévitabilité de ses conclusions et l'étroitesse de sa perspective qui a paru évidente dès le début de l'enquête et par le choix des experts-conseils. L'objectif était de condamner et, si possible, de détruire les régimes de commercialisation des produits qui avaient remplacé les systèmes incontrôlés de production et d'établissement des prix par des systèmes planifiés et réglementés. Il s'agit là, en fin de compte, de préoccupations à peu près exclusives du Conseil sur le plan de l'agriculture. Le Conseil ne porte aucun intérêt aux vastes et importants sujets de réglementation ayant trait à la préservation des terres agricoles, à la conservation du sol, à la protection de la santé et aux normes de qualité applicables aux produits alimentaires, à l'institution de droits de propriété pour les créateurs de variétés végétales, à l'aspect socio-économique de la propriété et de l'affermage des terres, à l'adaptation des systèmes de commercialisation des céréales en fonction de la sécurité alimentaire mondiale. Aucune de ces questions ne préoccupe le Conseil.

Le Conseil a en abomination la création de systèmes planifiés de production et de commercialisation de certains produits agricoles avec, en corollaire, la nécessité de réglementer les importations et d'attribuer des droits de production (quotas), et on doit démontrer - sinon, présumer - que pareils systèmes imposent des prix excessifs au consommateur, transfèrent des revenus au producteur, nuisent à l'accroissement de la productivité et, par-dessus tout, ne parviennent pas à simuler parfaitement non pas les résultats et les conditions qu'un marché supposément libre produit réellement, mais ce que les idéologues avec lesquels nous faisons affaire croient que ce grand marché libre devrait produire. Les raisons historiques qui sous-tendent la création de système de gestion des approvisionnements et leur évolution important peu pour le Conseil.

En conformité avec ce parti pris, le Conseil se concentre avec une parfaite

myopie, sur l'établissement de la valeur marchande qui découle d'un système de gestion des approvisionnements, à savoir le prix des quotas, et il en tire certaines conclusions. Ici se trouve, conclue-t-il, la seule preuve qu'il vaille la peine d'examiner - car n'est-ce pas un résultat des forces du marché! Regardez, s'exclame le Conseil, les quotas ont acquis une valeur pour certaines personnes. S'il en est réellement ainsi, cette valeur doit être alors un prix excessif pour le consommateur, car autrement la personne qui paie ce quota - si elle pouvait l'obtenir gratuitement - n'aurait pas à obtenir un prix si élevé. Si cette personne peut le faire alors tout le monde devrait pouvoir en faire autant. En conséquence, la valeur du quota est une mesure du prix excessif pour le consommateur. Ça se fait! Adam Smith peut reposer en paix.

Il importe peu, affirme le Conseil, et il ne vaut vraiment pas la peine d'examiner (et il ne le fait pas) ce qu'il en coûte réellement pour produire le produit ce qui, en fait, constitue la seule façon acceptable, raisonnable ou pratique de déterminer le niveau approprié des prix administrés. Il n'est pas important de savoir quels salaires sont ou devraient être payés pour le travail accompli; quels coûts sont engagés pour le combustible, les fertilisants, les impôts et les vétérinaires; quels capitaux doivent être investis, de quelle façon ils doivent être évalués et quel rendement ils doivent donner. En réalité, le Conseil affirme que toutes ces questions sont hors de propos.

En conséquence, la principale recommandation opérationnelle du Conseil économique est qu'il devrait y avoir, sur une période de 5 à 10 ans, une augmentation graduelle dans l'attribution globale des quotas pour le lait, les oeufs, la dinde et le poulet, et que les prix devraient être fixés à des niveaux qui permettent de dégager le marché. Les prix ainsi obtenus seraient inférieurs à ceux que donnent la présente politique, et le moyen de déterminer si la politique est bonne serait que les valeurs des quotas diminueraient progressivement, sinon à zéro, du moins à des niveaux très inférieurs à ceux que nous connaissons actuellement. Pour justifier cette recommandation, le Conseil cite son acceptation de l'analyse sur les prix excessifs qui est basée sur la preuve des valeurs des quotas.

La Fédération canadienne de l'agriculture rejette sans réserve cette analyse. En fait, le système est dynamique et non pas statique, et les producteurs ne constituent pas un groupe homogène. Ce que certaines personnes sont disposées à payer pour les quotas ne peut pas mesurer un prix excessif dans le système en général, si l'on utilise des normes justes et raisonnables, car affirmer que tel devrait être le cas et, en conséquence, réduire les prix reviendraient à sous-payer

les producteurs, y compris l'acheteur des quotas qui mérite d'être payé pour son rendement supérieur et (ou qui a le droit d'investir ses propres revenus, s'il le désire dans l'expansion de son entreprise).

La seule façon juste et raisonnable d'administrer les prix des produits dont les approvisionnements sont gérés est de se fier sur les relevés des coûts réels, comme on le fait actuellement. Il est possible de discuter des décisions qui ont permis de fixer les prix avec cette méthode mais, par contre, il est inacceptable d'utiliser les valeurs des quotas comme indicateurs. Il y a également lieu de souligner que les valeurs des quotas ne doivent pas être et ne sont pas incluses comme coût en capital dans la préparation des données sur les coûts.

Dans une annexe qui accompagne la présente déclaration, nous expliquons plus en détail notre point de vue sur cette question. L'information contenue dans l'annexe figure également dans un exposé général que nous avons préparé pour fins de discussion avec les députés le 16 juin 1981.

Le Conseil économique affirme également qu'il aimerait voir les contrôles quantitatifs des importations remplacés à la longue par des tarifs. La première difficulté que pose cette suggestion, c'est qu'il n'est pas possible de stabiliser le prix, ce qui est un objectif important et légitime de la gestion des approvisionnements, si on laisse entrer les importations aux prix très variables qui sont caractéristiques de nombreux denrées non réglementées. Il n'est pas non plus possible de gérer adéquatement l'offre par rapport à la demande. Cette recommandation équivaut à détruire le système. Le Conseil aimerait que les systèmes de gestion des approvisionnements, à l'exemple du vieux soldat, ne meurent pas mais qu'ils disparaissent graduellement tout simplement.

Le Conseil désire également une tendance graduelle vers l'achat et la vente entre provinces des quotas individuels de manière à ce que les quotas puissent se déplacer d'une région à l'autre vers des secteurs qui offrent comparativement le plus grand nombre d'avantages. Ce point soulève de nombreuses questions complexes, qui diffèrent d'un produit à l'autre; mais on peut dire avec une certaine assurance qu'il s'agit dans l'ensemble d'une option inacceptable pour les provinces et pour les producteurs. Menacer leur base de produits ne cadre pas avec les objectifs de la stratégie industrielle des régions du pays. Les systèmes nationaux de gestion des approvisionnements sont fondés sur les ententes soigneusement négociées entre les provinces et le gouvernement fédéral, et avec les producteurs - fait que le rapport du Conseil trouve moyen d'ignorer.

Le Conseil recommande que la vente de quotas liée à des installations

physiques ne soit pas permise. Le transfert des quotas sur cette base est loin d'être une chose nouvelle et a une certaine utilité. Comme règle stricte cependant il ne convient pas car mettre en danger les entreprises existantes par suite de l'incapacité de faire correspondre les quotas avec le transfert de la ferme peut compromettre de façon injuste et déraisonnable l'utilisation permanente d'installations productives.

Le Conseil recommande que le Comité canadien de gestion des approvisionnements de lait et la Commission canadienne du lait soient surveillés et se conforment aux lignes directrices du Conseil national de commercialisation des produits agricoles, comme c'est le cas pour les oeufs, le poulet et le dindon. Le Conseil économique semble mal comprendre la nature de la structure institutionnelle du lait industriel. Il fait remarquer à un moment donné que c'est le Comité canadien de gestion des approvisionnements de lait (CCGAL) qui fixe les prix et interprète le coût des formules de production pour le lait industriel, de concert avec la Commission canadienne du lait. En réalité, le CCGAL ne joue aucun rôle dans la fixation des prix ou l'examen des données sur les coûts, et ne discute pas de ces questions. Cet organisme regroupe des représentants des commissions du lait des gouvernements provinciaux là où il n'existe pas d'office de producteurs (4 provinces); et des régies gouvernementales là où il existe d'offices de producteurs. Sont également membres la CCL et les représentants des associations de producteurs lorsqu'il n'y a pas d'office de producteurs. Le CCGAL s'occupe de l'attribution globale des quotas, de la perception des taxes des producteurs pour payer les coûts du financement des exportations, et des diverses autres questions se rapportant au fonctionnement du système, à l'exception de la fixation des prix. Les prix de soutien du beurre et de la poudre de lait, de même que la subvention directe, sont établis par le Cabinet en vertu de la loi sur la stabilisation des prix agricoles, avec évidemment la participation active de la CCL comme conseillère auprès du gouvernement. La CCL administre les fonds de subvention et les programmes d'achat de soutien du beurre et de la poudre de lait, ainsi que les programmes d'exportation et les revenus provenant des taxes des producteurs. En ce qui concerne la fixation des prix, la Fédération canadienne des producteurs de lait entreprend des démarches auprès du gouvernement à titre d'association, comme le fait le Conseil national de l'industrie laitière du Canada au nom des transformateurs, et toute autre personne qui le désire. Vu cet état de choses la proposition du CEC est d'une pertinence très douteuse.

Le Conseil recommande également que soit instauré un système d'appel pour les

personnes, lequel comprendrait en premier lieu le Conseil national de commercialisation de produits agricoles et, s'il y a lieu, un tribunal d'appel quasi judiciaire spéciale. Cette suggestion ne devrait pas être rejetée sans façon, mais elle exige un examen attentif.

En principe, il n'y a rien à redire à la déclaration du Conseil selon laquelle il devrait y avoir une représentation juste et équilibrée des divers intérêts au sein des régies. Cependant, l'objectif d'équilibre ne devrait pas vouloir dire en pratique une confrontation délibérément structurée sur les principes mêmes des offices de commercialisation. Ce ne serait pas un bon résultat. La responsabilité qu'ont les régies de tenir compte à la fois de l'intérêt du public et de celui des producteurs, et de mettre les systèmes de commercialisation à l'abri des abus et des mauvais fonctionnements n'est évidemment pas mise en doute.

Certaines affirmations du rapport doivent être signalées afin de corriger les malentendus qu'elles pourraient causer:

- La production canadienne de lait par vache, par rapport au niveau des Etats-Unis, n'est pas inférieure de 30% mais plutôt de 15%, d'après le mode de calcul le plus récent et le plus amélioré.

- Il n'existe aucune preuve sûre que la productivité au sein de l'industrie laitière des Etats-Unis s'est accrue plus rapidement qu'au Canada.

- Le système ne comporte pas de parti pris pour l'élevage, "pour plus de crème et moins de protéines" chez les vaches laitières, car l'élevage pour plus de protéines n'exige pas, du point de vue génétique, l'élevage pour moins de crème. Dans le système, on s'intéresse en fait de plus en plus à l'élevage pour les protéines et les opinions du Conseil sur les façons dont le prix des solides non gras devrait être établi aurait pour effet de diminuer l'encouragement à élever pour ce facteur.

- Il n'est pas vrai qu'il n'existe pas actuellement de données sur les revenus des producteurs de lait du Canada. Une enquête très approfondie auprès des producteurs de lait de l'Ontario fournit de telles données pour 1977, 1978 et, sous peu, pour 1979 et 1980. Les analystes employés par le Conseil ne se sont pas en général intéressés aux données sur les coûts réels, préférant se fier sur leur analyse spéciale des valeurs des quotas pour prouver que les agriculteurs sont surpayés et que les consommateurs paient des prix excessifs.

- La déclaration selon laquelle le système de gestion des approvisionnements de lait réduira probablement le nombre de talents nouveaux et vigoureux pour l'industrie laitière de l'avenir s'avère sans fondement et gratuite. En fait, tout

indique le contraire: une recrudescence de producteurs compétents en administration et progressifs. Il s'agit là d'un bon exemple d'hypothèses commodes et injustifiées.

- Contrairement à ce que le Conseil affirme, la Commission canadienne du blé n'exerce aucun contrôle sur la production domestique.

La Fédération canadienne de l'Agriculture

(Note: La FCA est une fédération nationale d'associations d'agriculteurs qui regroupe des représentants de tous les secteurs agricoles du Canada. L'organisation administre également la Fédération canadienne des producteurs de lait, le Conseil canadien des producteurs d'oeufs et le Conseil canadien du porc, qui sont les associations nationales de producteurs pour ces trois produits.)

Supplément à la réaction de la FCA au rapport
"Pour une réforme de la réglementation" (CEC)

(Extrait du Mémoire présenté aux députés par la FCA, juin 1981)

3. Mandat de réglementation

28. Il y a lieu de consacrer quelques pages à l'examen des questions soulevées par les études des systèmes de gestion des approvisionnements (lait, oeufs et poulet) qui ont été réalisées dans le cadre du Mandat de réglementation du Conseil économique du Canada.

29. L'argument qui est mis de l'avant dans l'une des études, selon lequel les producteurs de lait de transformation au Canada devraient bénéficier de prix équivalents aux cours du marché international, ou autrement importer le produit, peut et doit être traité très brièvement. Une telle prise de position est tout à fait inacceptable car le prix du marché mondial est, en fait, essentiellement déterminé par la mesure dans laquelle la Communauté économique européenne et parfois les États-Unis décident de subventionner l'exportation du produit. Le démantèlement d'une partie importante de l'industrie laitière canadienne pour profiter de tels prix est totalement inacceptable et ne mérite même pas d'être envisagé sérieusement. De même, ce projet serait inacceptable pour les divers gouvernements provinciaux et, nous en sommes sûrs, pour le gouvernement fédéral.

30. Nous désirons surtout nous arrêter à l'allégation voulant que, compte tenu des coûts de production et des revenus des producteurs au Canada, les prix demandés pour le lait, les oeufs et le poulet soient exagérés. Ce genre d'analyse se fonde sur les valeurs des quotas pour évaluer le trop-payé, et la justification théorique des conclusions tirées découle d'une certaine analyse de l'équilibre. C'est sur la valeur de cette analyse que nous voulons nous attarder. On trouvera à l'annexe 4 une "Note sur la thèse voulant que les valeurs des quotas permettent de déterminer les prix excédentaires" qui tente de décrire le plus brièvement possible la teneur de cette analyse de l'équilibre.

31. Ce que ce genre d'analyse dit en fait, c'est que le prix en vertu d'un système de gestion des approvisionnements devrait être maintenu suffisamment bas pour que le quota n'ait aucune valeur même pour les producteurs dont les coûts de production sont les plus faibles car, avec un peu de chance, nous pourrions nous procurer de toute façon les oeufs ou le lait dont nous avons besoin. Elle affirme que la demande de quotas ne devrait jamais dépasser l'offre, la valeur des quotas étant

nulle, et que c'est là l'équilibre que nous devrions rechercher. Il s'agit de faire en sorte que tous touchent les prix les plus bas possible et de n'augmenter ces derniers que si vous avez besoin d'obtenir le produit. Laissons, pour dire les choses comme elles sont, les producteurs vivre avec le minimum de moyens de subsistance qu'ils sont prêts à tolérer, c'est assez bon pour eux.

32. L'analyse dit, en outre, que si ce régime d'oppression n'est pas appliqué, la productivité de l'industrie n'augmentera pas aussi vite qu'elle le devrait. Les producteurs s'accorderont un moment de répit et l'industrie fera preuve d'un rendement plus faible que celui qu'assurerait un marché libre.

33. Dans un marché libre, il y a toujours des producteurs dont les coûts sont plus élevés que ceux des autres. La théorie propre au marché libre implique que ces producteurs seront acculés au mur dans le mouvement vers l'équilibre à moins (i) qu'ils ne réduisent leurs coûts ou (ii) qu'ils se contentent de revenus plus faibles par préférence ou par nécessité. En outre, il arrive souvent que ce processus ne se déroule pas graduellement, en douceur, mais soit caractérisé par des prix élevés et par une instabilité des revenus encore plus grande. Un grand nombre de producteurs se trouvent éliminés avant d'avoir eu la chance d'accroître leur productivité, ou parce que leur niveau d'endettement est trop élevé par rapport à leurs investissements, ou parce que leurs revenus sont inférieurs à leur niveau de vie minimum d'équilibre nécessaire et ainsi de suite. Le marché libre ne se traduit pas, dans la réalité, par un ensemble de courbes bien nettes sur un graphique, où chacun semble trouver rapidement sa place. Il s'agit plutôt d'une bataille de tous les instants dont la récompense est loin d'aller toujours au plus méritant ou même au plus efficace. Par surcroît, étant caractérisé par une surabondance de gens désireux de s'adonner à l'agriculture, à laquelle s'ajoute l'éternel optimisme de nombreux agriculteurs, ainsi que l'absence d'autres options pour un grand nombre, le marché libre signifie que la situation aura non seulement tendance à être instable et mauvaise du point de vue économique compte tenu de ses effets sur ceux qui subissent des pertes, mais aussi que le système maintiendra le niveau d'"équilibre" des revenus à un niveau inégalement bas.

34. C'est la raison pour laquelle les systèmes de gestion des approvisionnements existent.

35. L'analyse qui mesure les trop-payés en utilisant les valeurs des quotas comme base de référence doit donc être située dans le contexte de cette analyse de l'équilibre marginal décrite à l'annexe 4. Nous voulons parler des systèmes administrés, ceux qui sont soumis à une gestion des approvisionnements et des prix. Un tel

Le système ne se trouve à aucun moment dans une situation de déséquilibre (comme c'est également le cas dans un marché libre). Néanmoins, l'analyse prétend que le prix courant, moins le montant que la valeur actuelle du quota représente moyennant un taux d'intérêt donné et une certaine période d'amortissement, est en fait le prix d'équilibre théorique à ce moment-là. Le montant déduit du prix réel par ce calcul est donc censé permettre d'obtenir le "bon" prix dans le sens où, comme il s'agit d'un prix d'équilibre, il doit refléter les coûts moyens de tous les producteurs du système; par conséquent, le prix réel payé par le consommateur est trop élevé dans la mesure même du montant que représente la valeur des quotas pour l'ensemble de la production. C'est de cette façon qu'on arrive au "coût" de \$56 millions par année pour les consommateurs dans le cas des oeufs (ce coût tient compte également des frais d'administration du système, qu'on a d'abord considéré comme étant inutile).

36. Les points que nous contestons dans cette analyse, sur laquelle sont fondées les allégations que les consommateurs payent des prix exagérés, sont les suivants:

i) En semblant promettre un ajustement instantané en fonction de l'équilibre économique à long terme, elle déforme et, en fait, fausse la situation.

ii) Non seulement l'argument voulant que les gains de productivité soient réprimés est-il injustifié, mais les faits indiquent plutôt l'inverse. La seule mesure dont nous disposons, soit le taux de ponte par volaille ou de rendement pour les oeufs au cours de la période de neuf ans qui a précédé le régime de gestion des approvisionnements, comparativement aux neuf premières années d'application du régime montre que les augmentations annuelles de rendement ont été considérablement plus élevées au cours de la période de gestion des approvisionnements. Les relevés de production par vache et le bilan consolidé de l'industrie indiquent que la productivité du secteur laitier en vertu du système de gestion des approvisionnements est bonne. Les études du Comité interministériel sur la révision de la politique laitière ont reconnu que des gains de productivité "importants" ont été enregistrés au cours de la période de gestion des approvisionnements nationaux dans les années 70. Nous ne prétendons pas qu'il est prouvé que la gestion des approvisionnements a pour effet d'accroître la productivité; quoique nous soyons très enclins à penser que c'est ce qui se produit dans les faits. Nous prétendons toutefois que l'allégation facile voulant qu'elle ralentisse la croissance de la productivité ne repose sur aucun fondement.

iii) Les producteurs préconisent en fin de compte que les coûts de production - les coûts réels - soient établis par voie d'enquête, et que le prix devrait être déterminé en tenant compte de la productivité visée par rapport à la moyenne et de rémunérations équitables pour le travail, le capital et la gestion. Des enquêtes périodiques permettraient de déterminer les gains de productivité dont profiteraient les consommateurs. Les enquêtes ne devraient pas tenir compte des investissements pour l'achat de quotas, et ces investissements peuvent être exclus dans l'établissement des coûts, ce qui est d'ailleurs le cas.

iv) Si des quotas peuvent être acquis et que des producteurs sont prêts à payer pour les acquérir, on ne peut à bon droit se fonder sur les sommes payées pour mesurer les excédents de prix. Cela signifie simplement que, pour diverses raisons, les producteurs sont disposés à payer pour accroître leur production et, habituellement, pour améliorer leur productivité. Il en résulte des gains pour le consommateur, ceux qui vendent les quotas reçoivent une certaine compensation pour les coûts inhérents à l'abandon de leur exploitation, et ceux qui acquièrent des quotas se rapprochent de leurs objectifs personnels. Il n'y a rien de nécessairement mauvais à cela, bien que l'administration des quotas de la meilleure façon pose de véritables problèmes. Toutefois, ces problèmes concernent surtout les producteurs. Si le prix établi est équitable par rapport aux coûts de production et si les valeurs des quotas ne se répercutent pas sur le prix, le consommateur n'est pas traité injustement.

37. Pour conclure sur cette question, précisons clairement qu'un système d'établissement de prix administré comporte des éléments de jugement. Un meilleur prix pour les producteurs générera sans doute des valeurs de quotas plus élevées qu'un prix plus faible. Nous soutenons que l'établissement des prix d'une manière soignée et adéquate d'après une évaluation des coûts et des revenus des producteurs constitue la bonne approche vis-à-vis des prix et peut très bien convenir à l'objectif. Considérer les valeurs des quotas plutôt que la réalité des coûts est une erreur. En privant les producteurs de tous les encouragements à payer pour acquérir des quotas, on aboutit à une rémunération insuffisante pour la plupart d'entre eux et, selon toute vraisemblance, on rend la production déficitaire tout en ne permettant pas au système de s'adapter comme il se doit aux progrès de la technologie. Un système de gestion des approvisionnements bien administré assurera la stabilité de l'industrie et sera avantageux pour le consommateur, sans doute plus avantageux que le soi-disant marché libre, qui en réalité fonctionne très mal. Un système en vertu duquel l'attribution des quotas est administrée exclusivement au moyen de règles administratives présente un certain attrait et est préconisé par certains producteurs; on ne devrait pas écarter cette option du revers de la main. Il s'agit aussi d'une option qui est sans doute moins dans l'intérêt du consommateur qu'un système en vertu duquel les quotas sont négociables et sont plus susceptibles d'être accaparés par les producteurs les plus productifs.

Note sur la thèse voulant que les valeurs
des quotas permettent de déterminer les prix excédentaires

Il existe une théorie de l'équilibre à long terme selon laquelle, dans un marché libre de "concurrence parfaite", le prix fixé égale le coût marginal et où le coût marginal égale le coût moyen. Le coût marginal est le coût de production d'une unité supplémentaire. Au point d'équilibre, le prix égale le coût marginal car si celui-ci est inférieur au prix, certains producteurs accroîtront leurs revenus en augmentant leur production ou en pénétrant sur le marché. Lorsqu'il y a équilibre, l'industrie ne peut être dans la situation où le coût marginal dépasse le prix, ce dernier étant déterminé par le point d'intersection des courbes d'offre et de demande. La courbe d'offre à long terme de l'industrie mesurera en l'un ou l'autre de ses points le volume de production auquel les coûts moyen et marginal de tous les producteurs égaleront le prix. Une augmentation de la demande et, par conséquent, le prix provoquera un accroissement de la production étant donné que les coûts marginaux seront moindres que les revenus marginaux. Par suite des ajustements que fait l'industrie face à cette situation, de nouvelles ressources sont investies et la production est accrue moyennant un coût marginal et un coût moyen plus élevés. Le nouvel équilibre est atteint lorsque le coût marginal et le coût moyen égalent le prix auquel l'offre correspond à la demande.

Les conséquences théoriques de cette analyse sont que, au point d'équilibre, les divers producteurs ont tous les mêmes coûts marginal et moyen, sans quoi certains chercheraient à donner de l'expansion à leur exploitation. On peut donc dire dans une situation d'équilibre, l'industrie est caractérisée par son homogénéité, non pas du point de vue matériel, mais du point de vue de la position de chaque producteur en ce qui a trait à sa réaction vis-à-vis de l'offre.

Voilà pour ce qui est de la théorie. Dans la réalité, l'équilibre n'est, bien sûr, jamais atteint. Les mécanismes fondamentaux de la demande varient constamment de même que ceux qui sont sous-jacents à l'offre, par suite de la fluctuation des coûts en espèce, du manque à gagner et de l'évolution de la technologie. En outre, les indications du marché (prix par rapport aux coûts marginaux) ne donnent pas lieu à des ajustements précis, ceux-ci étant parfois trop faibles ou trop élevés par rapport au point de repère, d'où le phénomène cyclique et beaucoup de tracas et de gaspillage sur le plan économique.

La courbe d'offre propre à une personne ne dépend donc pas uniquement du rendement technologique ou des besoins de revenus. Pour un individu, les coûts qu'indique sa courbe d'offre d'hypothétique rendent compte de son rendement au point de vue technique, de ses besoins de revenus ainsi que de ceux de sa famille - évalués notamment en fonction des diverses options disponibles - et du mode de vie qu'il préfère. De même, la réaction d'un individu du point de vue de l'offre dépend de son désir de courir des risques et de la façon dont il envisage l'avenir.

Par conséquent, l'analyse du jeu de l'offre et de la demande marginales doit être interprétée non pas comme étant inexacte (ce sont les conclusions qu'on en tire qu'on peut facilement qualifier d'inexactes), mais comme une description de la réalité qui laisse à désirer et dont l'application est conditionnelle à un processus permanent de dégradation économique. Il n'existe pas dans la réalité de système où la mobilité de la main-d'oeuvre et du capital est parfaite (c.-à-d. instantanée et exempte de frais) et où les coûts et la technologie n'évoluent pas. Non seulement l'équilibre n'est-il jamais atteint, mais les efforts du système en vue de l'atteindre exige un processus permanent de faillites individuelles et de mauvaises prévisions coûteuses. En outre, la stabilité dont le système fait réellement preuve dans un contexte où les fluctuations de la production ne sont pas considérables, par exemple de l'ordre de 50 à 60 %, mais plutôt dans la gamme 5-20 %, se retrouve uniquement dans un marché libre en raison de l'absence d'autres options s'offrant à l'individu. La plupart des producteurs, en cette période d'affaissement des prix, doivent endurer sans rien dire. Ils ne vivent ni ne travaillent dans un monde de rêve où la mobilité est parfaite. Le système de marché libre devient immanquablement brutal au fur et à mesure qu'il se dirige vers le point - qu'il n'atteint jamais - où le prix = coût marginal = coût moyen pour tous les producteurs au même prix.



PRESS RELEASE

The Canadian Federation of Agriculture

our publication immédiate
le 11 juin 1981

réaction de la FCA au rapport du CEC intitulé "Pour une réforme de la réglementation"

OTTAWA - Le Conseil économique du Canada (CEC) s'est contenté de s'en prendre aux agences de commercialisation responsables de la gestion des approvisionnements plutôt que de s'attarder à de vastes et importants sujets de réglementation agricole, tel qu'il est obsédé par le "l'illusion d'un grand marché libre", d'affirmer la FCA dans une déclaration publiée ici aujourd'hui.

La FCA a déclaré: "Le CEC ne porte aucun intérêt aux vastes et importants sujets de réglementation ayant trait à la préservation des terres agricoles, à la conservation du sol, à la protection de la santé et aux normes de qualité applicables aux produits alimentaires, à l'institution de droits de propriété pour les créateurs de variétés végétales, à l'aspect socio-économique de la propriété et de l'affermage des terres, à l'adaptation des systèmes de commercialisation des céréales en fonction de la sécurité alimentaire mondiale".

Le Conseil a préféré prendre à partie les agences de commercialisation qui assurent la gestion d'approvisionnements tout en faisant abstraction des raisons qui ont motivé la création de ces agences à l'origine.

Le CEC a fait preuve de la myopie la plus complète en choisissant de s'attacher à la valeur des quotas, aspect sur lequel il a fondé ses conclusions. Les allégations selon lesquelles les prix du lait, des oeufs et de la volaille seraient excessifs à cause précisément de cette valeur attribuée aux quotas découlent d'une analyse biaisée et sans fondement.

"La FCA refuse catégoriquement de considérer cette analyse comme valable, c'est un tissu d'affirmations gratuites, de préjugés et de théories sans fondement", a ajouté la FCA.

La bonne façon d'évaluer les coûts, et c'est celle qu'on utilise pour établir des prix, consiste à examiner les coûts réels de production calculés au moyen d'enquêtes pour des niveaux de rendement supérieurs à la moyenne. Ainsi, la valeur des quotas peut être exclue des coûts de production et elle l'est effectivement. Elle ne correspond en aucune façon à l'excédent de prix.

La principale recommandation du CEC voulant qu'on accroisse progressivement la gestion des approvisionnements pour les produits qui y sont soumis et que les prix soient réduits jusqu'à ce que les quotas n'aient plus aucune valeur revient, en fait, à recommander que les producteurs soient insuffisamment rétribués pour leur travail, leur compétence comme gestionnaire et leurs investissements. Tous les gouvernements au Canada ont approuvé le principe d'une rémunération équitable et raisonnable pour le travail, la gestion et le capital. Les systèmes de gestion des approvisionnements poursuivent cet objectif tout en évitant l'instabilité et la dégradation de la situation économique des producteurs qu'entraîne le marché libre.

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FEDERAL-PROVINCIAL CONFERENCE
OF AGRICULTURE MINISTERS

Press Release

July 16, 1981

Lethbridge/Edmonton
(Alberta)
July 14-16, 1981

FOR IMMEDIATE RELEASE

JULY 16, 1981

PRESS RELEASE

GOVERNMENT HOUSE IN EDMONTON WAS THE LOCATION OF THE FINAL DAY OF THE FEDERAL-PROVINCIAL AGRICULTURE MINISTERS CONFERENCE.

THE FEDERAL MINISTER OUTLINED A STRATEGY TO THE YEAR 2000 FOR THE CANADIAN AGRI-FOOD SECTOR. HE INDICATED THE GROWTH POTENTIAL FOR CANADIAN AGRICULTURE COULD BE ACHIEVED BY ENRICHED PROGRAMS IN MARKET DEVELOPMENT, STRENGTHNING THE RESOURCE BASE AND MISSION-ORIENTATED RESEARCH INCLUDING GENETIC ENGINEERING. THE FEDERAL MINISTER WILL BE MEETING WITH PROVINCIAL MINISTERS, PRODUCER ORGANIZATIONS AND THE PRIVATE SECTOR THIS FALL. PROVINCIAL MINISTERS RECEIVED THE STRATEGY DOCUMENT AS A DISCUSSION PAPER.

THE AGRICULTURE MINISTERS REVIEWED A REPORT FROM DR. DAVID SLATER, CHAIRMAN OF THE ECONOMIC COUNCIL OF CANADA ON REFORM OF REGULATION. THE REPORT WAS RECEIVED.

A CRITIQUE OF THE REPORT BY THE CANADIAN FEDERATION OF AGRICULTURE WAS ALSO RECEIVED.

IN SUMMARIZING THE CONSENSUS OF THE MINISTERS, DALLAS SCHMIDT, AGRICULTURE MINISTER FOR ALBERTA, SAID PROGRESS WAS MADE IN THE AREAS OF STABILIZATION, FARM CREDIT, DAIRY POLICY AND AGRICULTURE DEVELOPMENT. HE SAID ALL MINISTERS LOOK FORWARD TO MR. WHELAN'S PROMISE TO PROVIDE DETAILS ON A MEANINGFUL PROGRAM FOR HOG STABILIZATION AND EXPANDED FARM CREDIT IN FOUR MONTHS.

THE MINISTERS GENERALLY BELIEVE THE REAL ISSUES WHICH STILL FACE FARMERS TODAY ARE HIGH INTEREST RATES, TAXATION POLICIES, ENERGY COSTS TO FARMERS AND MARKET OPPORTUNITIES.

THE HONOURABLE ROGER BACON, MINISTER OF AGRICULTURE AND MARKETING FOR NOVA SCOTIA, INVITED THE MINISTERS TO HOLD THEIR 32ND CONFERENCE IN NOVA SCOTIA DURING JULY 1982.

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17TH CONFERENCE OF THE COUNCIL OF MINISTERS
RESPONSIBLE FOR TRANSPORTATION AND HIGHWAY SAFETY
(Federal / Provincial / Territorial Session)

PRESS RELEASE

Fredericton (N.B.)
April 28, 1981

PRESS RELEASE

Minister's Meeting, Fredericton, April 28, 1981

The Council of Ministers Responsible for Transportation and Highway Safety met April 28, in Fredericton.

The Ministers established funding for the development and maintenance of certain national standards related to motor vehicle equipment, including devices to adapt vehicles for the transportation of the handicapped.

In response to concerns expressed by the provincial and territorial Ministers, the Federal Transport Minister undertook to report in September on the safety and fuel economy implications of permitting small limited performance cars and delivery vehicles in urban areas.

In response to concerns expressed by the provincial Ministers, the Federal Transport Minister promised his colleagues a report at their September meeting on the safety and fuel economy implications of permitting even smaller limited performance cars and delivery vehicles in urban areas.

The Ministers resolved to intensify programs in all jurisdictions to reduce road casualties, and to this end are cooperatively initiating a campaign in May to encourage increased use of seat belts and child car seats.

The Ministers unanimously supported present Canadian policy on the mandatory installation of active seat belts in cars and trucks, as opposed to passive restraints such as air bags and automatic belts.

The Federal Minister of Transport promised to introduce improved standards for child car seats and infant carriers within the year.

The Ministers agreed to a series of suggested amendments to the Motor Vehicle Transport Act, permitting uniformity and simplification of extra-provincial motor carriage, as well as identifying common objective in respect to that industry. The federal minister agreed to take necessary action to implement the proposed amendments to the Act.

The Ministers discussed the optimum role of tariff bureaux. The discussion was mainly related to the principle of collective rate-making and its effect on free competition. Based on the work done so far, the Ministers agreed that their next step would be further consultation with the trucking industry in order to arrive at a resolution of this matter at their next meeting.

The provincial ministers expressed concern about the implication of possible changes in airport management, as they might affect service and responsibility for funding. However, there was agreement on the need for improving the efficiency of the present system of airport management. The federal minister indicated the matter was still under review and that he would report further at the next meeting.

The Ministers discussed the transportation of dangerous goods. The federal government is developing regulations in this field and the provincial governments are in the process of preparing compatible regulations.

The federal minister advised that the federal government is currently examining options for a replacement of the Urban Transportation Assistance Program. He stated that any new program should emphasize the elimination of railway level crossings, but he recognized the desirability of maintaining flexibility in the program.

